The COMMERCIAL and FINANCIAL CHRONICLE

ESTABLISHED 1839

Reg. U. S. Pat. Office

Volume 194 Number 6072 New York 7, N. Y., Thursday, July 13, 1961 Price 50 Cents a Copy In 2 Sections — Section 1

Editorial AS WE SEE IT

In our Independence Day celebrations this year, as sometimes in years past, there was an occasional comparison of our revolution of 1776 with that of the Bolsheviks in 1918. A number of observers have remarked that we too were of revolution born even as was the socialist state of Russia today. Although not very expressly stated, there has at times seemed to be an implication that some sort of similarity existed between the two historical upheavals. Of course, both were revolutionary in the sense that they took sharp issue with the thought of the day, although one was confined almost wholly to the political arena and the other more largely concerned with the economic field. But in any event the differences far outweigh any similarity which may exist. In point of fact, regarded from the standpoint of the American revolutionist of our early days, the Russian revolution would have to be regarded as "counter revolution" in nature to use a term so dear to the hearts of the present day communists.

Our "New" Revolution

But the United States of America has had another revolution, and this second break with tradition and the previously accepted ideas and concepts of this country was more nearly akin to that which occurred in Russia toward the end of World War I. We celebrate this second revolution—or some of us do—but under quite a different name. The leaders of the movement and its firm adherents are not thought of as revolutionaries at all, but "enlightened" and "socially conscious" and the like. Looking back, it is possible to see some traces of its trend even before the outbreak of World War I, but it burst upon us fully only after the great depression had brought revolutionary ideas to many minds and sent Franklin Roosevelt to the White House to formulate and establish the New Deal.

So accustomed have many of use become—particularly the younger generations—to the new paternalism, the vastly enlarged role of government (Continued on page 26)

Factors Affecting Stock Market And Investment Policy in the '60's

By Charles W. Buek*, *First Vice-President, United States Trust Company, New York City*

Forecast of moderate recovery and of deep-seated confidence in the long run sees no prospect for return to old fashioned P/E multiples. Trust official advises for the short-run keeping liquid and flexible on the assumption that stocks' best buying period has past. Optimistic about the future, Mr. Buek outlines industries with inevitable growth; stresses need to be selective; suggests choosing firms with widening profit margins; foresees high, if not higher, interest rates providing profits and headaches in fixed-income obligations; and doubts Kennedy Administration will allow labor to go so far as make prosperity profitless.

In any discussion of trust investment policies for the 1960's, we must first decide how we intend to play the game. Shall we set a new policy each month, reflecting the short term swings of the stock markets? Or shall we give up that almost hopeless attempt and come up with an all-purpose investment philosophy so sound, and so immutable, that it will not have to be reviewed before 1970?

Charles W. Buek

The latter course has much to recommend it! A beautifully worded summary of the fundamental principles of investment—a belief in quality, in diversification, and in a perfect balance between income and appreciation—has one great advantage. It can never be proven wrong, no matter what happens in the sixties. Somewhere between a monthly policy and an external one lies the proper choice for the 60's. This will mean a change for many trust departments, and the change must be in the direction of greater flexibility and resourcefulness. In the decade just ended, almost any investment policy which permitted the retention of common stocks was passably successful. No such easy life lies ahead.

Can anyone look far enough ahead to discuss the period of the 1960's, which includes all the time up to and including Dec. 31, 1969? At the outset this seemed impossible. I have some rather confident thoughts about the third quarter of 1961, and our economists at the Trust Company are now peering vaguely into the first half of 1962. If this suggests that we are unqualified to handle investments, I would remindfully recall that last September the country and its presidential candidates were debating whether or not our economy was undergoing a recession. Nine months later we knew that we had had one, and that it was over. I submit that no one foresees the future with clarity or assurance.

It is one of the frustrations of mankind that the past is crystal clear, entirely logical, and everything which happened in the past now seems to have been inevitable. Everyone has 20/20 hindsight. The future, on the other hand, is an absolute blank, a bewildering mass of a thousand conflicting possibilities. We can see back a thousand years, and yet we are sure to get rich if we can see ahead clearly for even one.

However, one of the encouraging and intriguing aspects of hindsight is that we invariably realize that important events occurred for entirely logical reasons. The past always seems obvious. We realize belatedly that the factors leading to various events were there to see, but that we had either overlooked them or wrongly appraised them.

Technique in Looking Ahead

Suppose we were to look into the future, accepting for the moment the premise that the events of the 60's are already in the making. Suppose we make the reasonable assumption that the important developments will be logical rather than illogical, and that they will appear in hindsight to have been inevitable. It we study (Continued on page 24)

I.D.A.C. Convention Supplement: Section Two

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

RICHARD E. JENNISON
Director of Institutional Research, Auerbach, Pollak & Richardson, New York City
Members New York Stock Exchange

Control Data Corporation

In a field which is considered to be the province of sizable industrial companies, a small company is demonstrating an impressive capability to compete successfully and to show substantial earnings gains in the process. Control Data Corp. is the only small firm to penetrate the ranks of IBM, Sperry Rand, RCA and Minneapolis-Honeywell with a large scale digital computer.

Richard E. Jennison

Sizable orders have been received for the CDC 1604, a solid state digital computer priced in the area of $1 million. The company has passed the acid test of actual operating experience with customers reporting unusually favorable performance. The success of the 1604 and the company's growing reputation in the trade is leading to broader acceptance of its data processing equipment which presently include the following:

1604	Large scale computer	$1,000,000
160-A	Small scale computer	100,000
160	Small scale computer	60,000
180	Data Collector	3,000
	Paper Tape Reader	2,000

Under development is a giant computer many times the speed of the 1604 which may be priced in the $8-10 million vicinity. Other significant new computer and peripheral data processing equipment will be announced within the coming fiscal year. In addition to data processing activities, Control Data has been selected as the computer contractor for the Polaris fire control system, and has developed a microminiature computer for airborne applications.

The marketing capabililty has been strengthened through the establishment of a national sales organization of experienced computer salesmen drawn from the largest companies in the industry. Augmenting the company's marketing abilities is the relationship with N. C. R., to sell and service Control Data's 160 computer in the banking and retail trade fields.

A major computer activity is likely to be formed abroad in the not too distant future, as the company's studies indicate a sizable immediate market for its products in Western Europe.

One of the nation's largest capacity computer centers has been established in Minneapolis and another large service center will be opened shortly in San Francisco.

Research is given considerable emphasis both at the divisional levels and in a central research organization. Company supported research and development expenditures currently amount to roughly $1.7 million ($1.60 per share) annually. Additionally, substantial research activities are conducted under government funding.

In addition to computer products, the Cedar Engineering division is developing electro mechanical data processing equipment for the company's own use as well as for outside sale. The Control Corporation subsidiary, an old-line manufacturer of supervisory control systems for the electric and gas utility industry, provides a medium for entry into the electronic process control field.

Sales will increase from $9.7 million in the fiscal year ended June 30, 1960 to the $19 million vicinity in the fiscal year ending June 30, 1961. Orders on hand and immediately foreseeable indicate a volume of $35-40 million is reasonably attainable for the new fiscal year beginning shortly.

Reported earnings will increase from 55 cents per share last year to 75 cents per share in the present fiscal year and rise well above the $1 share level in the new fiscal year. However, reported earnings do not adequately reveal the company's progress when recognition is given to the large cash flow created by the rental factor. Cash earnings will increase from 76 cents per share last year to $2 per share in the present fiscal year and appear likely to equal or exceed $4 in the new fiscal year.

Control Data management and professional staffs include executives and scientists with long experience from the early days of the development of the digital computer. As a consequence, the company has been able to avoid the technical pitfalls encountered by some computer manufacturers. The company's able business management places unusual emphasis on broad corporate development, detailed short and long-range planning, management training and financial controls.

Although the stock is now very liberally priced, the unusual qualities merit consideration by institutional investors as an attractive long-range growth situation in the already sizable electronic data processing industry.

The stock is traded in the Over-the-Counter Market.

BYRLE LERNER
Resident Manager, California Investors, Los Angeles, Calif.

Resident Manager, California Investors,
Epps Industries

In an era when securities selling at 20 and 30 times earnings are no longer considered overly speculative, it is rare indeed to discover shares of a well-seasoned company with a consistent growth record at a current price of approximately 10 times earnings.

Byrle Lerner

Recent interest in Epps Industries, Inc., is an indication that such investment opportunities are still available, however. This leading producer of welded steel tubing is, today, in an excellent position to capitalize on new interest among manufacturers of office furniture, pole lamps and myriad other products, who are discovering that welded tubing is not only as strong as seamless—and lends itself equally well to fabrication—but costs from 5 to 20% less in most sizes.

Until last year, welded tubing ran a poor second to seamless; today, however, shipments of welded tubing are almost double those of the competing type.

Epps Industries was incorporated in 1946 at Los Angeles and capitalized at 540,750 common shares. Some 100,000 of these were issued to the public last December. They were priced at about nine times earnings at the time and continued to be traded in the Over-the-Counter market at that level. The stock is little known outside the company's circle of 620 shareholders, but its price will undoubtedly benefit as its current low evaluation is discovered by a larger segment of the public.

During the first decade of its existence, Epps was limited to the distribution of sheet and strip steel. In 1956, however, the company began the production of tubing under the guidance of Bernard S. Epps, founder and still President. He had been a distributor in Detroit, Mich., for some 14 years; his depth of experience in the field is unparalleled.

More important to the investor, perhaps, is that he has been able to pass much of this experience along to his younger, aggressive second echelon of management. It was their acumen that enabled Epps to expand the distributor phase of the business while nursing along its tube production operations.

Progress in the latter phase was, admittedly, slow until the user breakthrough of last year. Today, by contrast, tubing accounts for approximately 60% of the firm's total volume.

In addition to steel distribution and tube production, Epps has strengthened its competitive position still further by diversifying into a new area which already shows great promise. This is the custom production of tubing for special uses.

Epps also has pioneered and maintained its leadership in another field: pickling metals to remove scale and rust. The firm installed the first contract pickling plant in Southern California in 1946; recently, in anticipation of increased volume, this plant was completely renovated. Management expects many new opportunities to open up in this field, especially in the pickling of sheet metal for export as western companies ship steel to manufacturing subsidiaries abroad in growing volume.

It is interesting to note, in retrospect, that most of the growth recorded by Epps management occurred during last year's recession. The decisiveness with which the company moved to offset that recession, incidentally, is indicative of inherent strength. Tubing sales until then confined largely to Southern California, were quickly expanded into the 11 western states and Hawaii, a move which not only kept the company in the black but also opened up previously untapped markets.

In fact, although sales declined from $3,327,514 in 1959 to $3,106,-818 in 1960, net earnings showed an increase from $108,635 to $183,-354, a jump from 3.2% to 5.9%.

Projected sales for 1961 total $3,500,000 and earnings are estimated at $200,000, largely on the basis of a six-month period ending March 31, 1961, which shows sales

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

The Competition Between Actual Goods and Services

By Mrs. Aryness Joy Wickens,* *Economic Adviser, U. S. Department of Labor*

Study of growth, and compositional changes, in goods and services points up the rising trend of the latter. The over-all cost of services is shown to have gone up 52% (March, 1961) over the level at the end of the 1940's in contrast to 27% rise in the CPI. A longer-run picture since 1935 puts the CPI up 115%, commodity prices up 126% but services—including rent—up by less than 100%. This is primarily attributed to utilities and not transportation or medical services. Detailed are: the fine, constantly shifting line between goods and services, the greater real productivity output advance in goods-producing industries, and the greater expansion in the service industries.

The competition between goods and services in the American economy is one of the important economic facts of the mid-Twentieth Century. It is evident in the great employment gains in services. It is evident, too, in the whole of the economy in which services, including Government services, have bulked very large, dollar-wise, in recent years. Finally, it is a competition which is increasingly evident in the expenditures of individual families.

Aryness Joy Wickens

Dividing all the activities of our economy into two categories — goods and services — is by no means as simple as it sounds. Our all-embracing sets of data — employment, Gross National Product, and prices — mesh rather nicely in some respects, but for our present discussion they are almost as far apart as East and West.

The term, "services," can have completely different meanings in these series. For instance, employees in trade, in transportation, and in business services are all characterized as being in service industries because they do not specifically produce commodities; however, for the perfectly obvious reason that their costs are included in the sale prices of goods, these jobs are reflected in the Gross National Product under the commodity classifications. Within the GNP a similar, and even more difficult, classification problem is in differentiating the kind of services provided in a frozen TV dinner.

Nevertheless, even using broad and crude groupings, there does seem to be an important and very dramatic difference in trends developing as between goods and services.

Large Employee Increase in Service Industries

Let us look first at employment. Until about 1950, the number of people in the industries which produced goods — manufacturing, agriculture, construction and mining—was always larger than the numbers in the service-producing industries — trade, transportation, public utilities, finance, insurance, real estate, and government. In 1930, there were 22 million employees in the goods-producing group as against 17½ million in the service group. A decade later, the goods group had not increased its numbers whereas the service category had expended by nearly two million. Now, as of 1960, total employment in goods-producing industries is only five million greater than in 1930 whereas the total for services has virtually doubled, to account for 55% of today's job total.

There are, of course, several obvious explanations for these trends. Most important, numerically, is the steadily declining number of jobs on farms and in the mines. Both construction and manufacturing employ considerably more people than they did in the 1920's and the 1930's, but it is significant that their employment gains in recent years have been rather moderate. The number of jobs in manufacturing at the beginning of the 1960's was higher than in 1947 by only one million, or 6%. Construction employment has risen by about 800,000 over this period, or a third, but there has been no significant change in level since 1951.

By contrast, all of the service groups—with the major exception of the transportation and utilities group, in which very little change has occurred — have experienced continuous, strong increase both in the long run and especially in recent years.

Looking into the future, it seems fairly clear that employment during the 1960's will continue to expand more rapidly in the service industries than in the goods-producing industries, even though we do anticipate substantial gains in manufacturing and in construction. Projections made last year by the Department of Labor indicate that the ratio of service employment may very well rise to 57% a decade hence, as compared with the current 55%. The more rapid increase in services reflects the rising standard of living and the growing demand for state and local services such as education and public health.

Productivity Analysis

When we look at the broad aggregates, it appears that the much greater increase in the number of jobs in the service group also reflects differential changes in productivity. From 1947 to 1955, the annual rate of

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SECTION TWO of today's issue is devoted to the proceedings, editorial and pictorial, of the recently-concluded 45th Annual Convention of the Investment Dealers' Association of Canada and includes the following articles on the pages indicated:

Published Twice Weekly
The COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
CLAUDE D. SEIBERT, President
WILLIAM DANA SEIBERT, Treasurer
GEORGE J. MORRISSEY, Editor
Thursday, July 13, 1961

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.)

Other Office: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $65.00 per year; in Dominion of Canada, $68.00 per year; Other Countries, $72.00 per year.

Other Publications

Bank and Quotation Record — Monthly, $45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

OBSERVATIONS...

BY A. WILFRED MAY

DANCER'S ADVICE UNDER PROSPECTIVE REGULATION

The latest court ruling in the celebrated case of Nicholas Darvas, dancing-speculator and author of the best-seller, "How I Made $2 Million in the Stock Market" ties in with the S.E.C.'s now pending investigation, in the handling of investment advisory questions.

The New York State Court of Appeals, last Friday (July 7) reversed by a 4-to-3 decision, the lower Courts, and upheld the right of State Attorney General Lefkowitz to investigate further the dancer-author and his publisher for alleged fraud (the Attorney General—now the Republican candidate for New York City's Mayor—claims that instead of the $2 million, our genius' maximum market gains totaled only $216 thousand; and that from January, 1959 to October, 1960, he actually lost $60 thousand).

While the latest decision still leaves the case in the investigative stage, and the State's rights to this process subject to confirmation by the Supreme Court after a probable plea for a stay, such author's reliance on the Free Press principle is now at least rendered doubtful.

A more important implication of the latest Court decision, however, is its indication that action in this area can be efficacious under some States' Blue Sky laws.

The Regulatory Outlook

On the Federal level, the regulatory situation is now in a high state of flux.

The status of "how to do it" books about the stock market under the Investment Advisers Act of 1940 has always been somewhat doubtful. In order to come within the S.E.C.'s jurisdiction under the Act, a person must be engaged "in the business of advising others" about securities. In some instances, as in the Darvas situation, the publishers are registered investment advisers, and their advertising would clearly come under the new rules which the Commission is now proposing.

The inapplicability of regulation to publishers who are not registered investment advisers could be remedied by possible new legislation to bring them in.

This would be the best solution, since the S.E.C. (along with the state securities commissions) is the appropriate body to handle this matter which essentially involves investment questions. If, however, such power is not given to the S.E.C., the Federal Trade Commission, under its existing powers and practice could and should take over, and—also with the cooperation of the State Blue Sky bodies—do an effective job.

* * *

THE MONEY-BACK RECORD ON TWO FRONTS

In that bristlingly controversial Mutual Funds area, the significance of the Redemptions goes on unresolved. Apart from other phases, shall the record of the actual cash-ins be shown in relation to the concurrent sales, or to the amount of the funds' shares outstanding? The current record of redemptions and sales of that other major cash-in mechanism, the U. S. Savings Bond should go far toward clarifying this situation.

While the custom in the case of the Funds, just as with the Savings Bonds, has been to relate the running record of cash-ins to concurrent sales, this writer has endorsed as realistic their relation to the constantly growing *pool* of assets. It is, of course, dramatic to headline a news story, as redemptions exceeding sales; omitting the fact that this is not abnormal after a cashable reservoir of redeemable Bonds — or Fund shares — have been outstanding and growing for a period of years. It would be even more dramatic, but no more absurd if selling, but not redeeming, were to be called off for a day or week, to state the redemption-to-sales ratio as infinity.

Comparable Savings Bond Reporting

Thus, the Savings Bond report for June has been typically captioned "Redemptions Topped Sales for Third Month in Succession," although the dollar value of redemptions in June was 10% *lower* than in June, 1960, and the lowest for any June since 1953. Furthermore June Bond sales exceeded by 9% those of the like 1960 month. We maintain that the latterm comparative figures, rather than the current redemptions-to-sales ratios give the true picture in the case of both Fund and Bond cash-ins.

Similarly with the Funds, in several instances there has been a period-to-period decline in the redemptions while the broadly publicized ratio of redemptions to sales showed an increase.

In any event, the ratio of the Funds' total dollar assets (the counterpart of the aggregate of outstanding Savings Bonds) to the current sales, is the significant figure.

The Realistic Record

Under this score-keeping rule, the long-term record shows the Fund repurchases as a per cent of assets, at 5.6% in 1942, a rise to 11.1% in 1946, a decline to 6.2% in 1949, a rise to 12.5% in 1950, and thereafter a steady decline to 5.1% in 1960.

It would seem that alarm should be confined to those individual Funds, particularly when newly formed, where extraordinarily heavy redemptions are concentrated.

A. G. Becker Co. Official Changes

William D. Mabie has been elected President of the 68-year old investment banking firm of A. G. Becker & Co., Inc., succeeding James H. Becker, who has become Chairman of the Board and continues as Chief Executive Officer. At the same time, Irving H. Sherman was elected Vice-Chairman and Joseph J. Levin was named Chairman of the Executive Committee.

Three of the four men have been associated with the company for their entire business careers and the other has been with A. G. Becker & Co., Inc. for substantially the same period.

Mr. Mabie joined the firm upon his graduation from the University of Chicago in 1924. He became a Vice-President in 1951 and a director in 1959.

Mr. Becker, son of A. G. Becker, who founded the business in 1893, joined the company shortly after the end of World War II in which he served following his graduation from Cornell University in 1917. Mr. Sherman has been with the firm, both here and abroad, since 1925 and has since 1939 been active in the management of the New York office as a Vice-President and director of the company. Mr. Levin, who has for many years been a director and officer, latterly as Executive Vice-President, entered the company's employ in 1922.

Fox-Martin to Direct Long Sales

ELIZABETH, N. J. — Milton Fox - Martin, Vice - President of Hugh W. Long & Co. Inc., Westminster at Parker, has been elected by the company's Board of Directors to head the mutual fund underwriter's sales activities.

Milton Fox-Martin

In the newly - created post of Vice-President in charge of sales, Mr. Fox-Martin will direct the national distribution of the three mutual funds sponsored by the Long Co.

Fliederbaum, Mooradian

Fliederbaum, Mooradian & Co. has been formed with offices at 149 Broadway, New York City, to engage in a securities business. Partners are Stanley Fliederbaum and Setrag Mooradian, general partners, and Ira R. Goldstein, limited partner.

How to Remedy Canada's Investment Invasion

By Howard D. Graham,* *President, The Toronto Stock Exchange*

Canadian stock exchange head finds disturbing not the size of foreign investments in his country but the fact that they are largely in the form of equities. Mr. Graham points out it comes to 61% of Canada's present GNP and 75% of this amount comes from the U. S. He offers five constructive criticisms of U. S.-owned firms' policies; makes clear Canadians fully appreciate the capital-inflow benefits but that some improvements should be made; and defends the recent tax-law change as an attempt to equalize foreign with domestic capital treatment. With more than passing understanding, Mr. Graham describes the merits of listing stock on the exchanges in Canada's five major cities.

Apart from the economic influence, which I shall deal with, it is amazing that we, as Canadians, retain our national character and customs as clearly and definitely as we do, when we consider that nine out of every ten Canadians live within 200 miles of the border between our two countries —and half of the people here in the United States live less than 250 miles from our common border. Not only are we close to each other physically, but we share a common background in many of the elements that give a nation its distinctive character. Both our countries share the same traditions of culture, of religion and of language.


Howard D. Graham

This similarity of background and our close physical proximity put our relations with each other on a unique plane. Like neighbors everywhere, we freely and frequently visit back and forth with each other; we are not regarded as "foreigners" when we visit each other's country, nor do we feel like "foreigners."

We have undertaken great works together, and we hope and trust that we will continue to do this. One of these great projects is the development of the deep water seaway which opens the heart of this continent to the ocean traffic of the world. Coupled with this is the great power development in the St. Lawrence River, through the very center of which runs the international boundary line, where there stands a great monument bearing this inscription: "This stone bears witness to the common purpose of two nations whose frontiers are the frontiers of friendship, whose ways are the ways of freedom, and whose works are the works of peace."

The New York *Times* said in an editorial about Canada not long ago: "Geography has fixed it so that we sink or swim together . . . we have every reason on both sides of the border for friendly cooperation." Let us see how well this friendly cooperation extends into the field of finance and economics. Is there room for improvement?

Foreign Capital Welcome

Canadians fully appreciate the benefits that they have derived from the great inflow of capital from the United States and other countries. In our stage of development, we need foreign capital; we have a population of just 18 million people, only one-tenth of the population of our great Southern neighbor, but we have been blessed with a vast storehouse of timber, metals, minerals and other natural resources — so vast that even today we can scarcely comprehend the extent of our still undeveloped wealth.

In Canada, to develop these resources, we have always needed and welcomed foreign capital, just as you in the United States needed and relied upon foreign capital in the days of your youth. Much of America's capital came from Great Britain, with the important characteristic that it was secured in the form of bonds or mortgages; the equity remained in the United States.

In the case of the U. S., this foreign investment reached its highest point in 1914, when it was just under 15% of the gross national product. Today, it is only about 3%.

But in Canada today, foreign investment has reached the astounding total of 61% of our gross national product. And a most disturbing fact is that this very large foreign investment is not in the form of bonds or mortgage security, as was yours two or three generations ago — the foreign investment in Canada is largely in the form of equity ownership of Canadian resources and industry. It is doubtful that Canadians will ever be in a position to "buy back" these assets from the foreign investor.

Out of some 22.3 billion dollars now invested in Canada by non-Canadians, 75% comes from the United States. A fair estimate of the number of individual companies in Canada which are now owned or controlled by United States interests would be 5,000. The book value of direct American investment in American-controlled companies in Canada increased in the 15 years from 1945 to the present from 2.3 billion to 11 billion dollars.

Canadian manufacturing, as a whole, is 44% American-controlled. In one year, 1958, investment in manufacturing in Canada increased by 400 million dollars, and, of this, 256 million dollars came from United States funds.

Here are some figures from specific industries: The automotive industry in Canada is 97% controlled from South of the border; 90% of our rubber industry; 67% of our petroleum and natural gas; 65% of our non-ferrous smelting and refining industry; 65% of Canada's electrical apparatus industry; all controlled in the United States.

Investment Incentives

Of course, this extremely heavy flow of American money into Canada came about for a number of reasons, and not the least of these was that Canadian Governments of the past actively encouraged it. Special tax incentives and privileges were granted in order to obtain the capital to speed up the development of these resources and the expansion of our industry after the Second World War.

Late last year, however, the Canadian Government became concerned that the flow was be-

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market is better again this week. The technical factors are improved perceptibly. The price level continues to be generally favorable to all large investors, the street float and dealers inventories have moderated slightly, and the calendar, although building up, is not extraordinarily heavy and the voluminous new issues scheduled are at present well spaced. The attitudes of buyers towards the tax-exempt market seems to have been somewhat improved in the last fortnight as substantial blocks have been removed from the marketplace in fairly steady fashion. Most of the large blocks have traded or been sold at some price concession from original list.

Banks Active Buyers

As general business continues to lag, and the economy shows but little evidence of the dynamics presumed in prospect, the banking system is progressively infused with free reserves that to some extent find expression in the tax-exempt bond market. The large banks and some of the smaller ones which deal in state and municipal general obligation bonds have been regularly bidding with vigor, as well as discernment, for selected tax exempts. Their satisfaction with the overall net return from these underwriting ventures seems more simply fulfilled, and with less speculative overtones, than obtain for the non-bank dealers; particularly the smaller ones.

This situation has brought about a period of market unsettlement and nervousness, marked by an occasionally well placed flotation and with many half placed ones; and a chronically heavy inventory condition. Bidding has not backed off under these seemingly adverse circumstances, partly because of the easy credit conditions that have prevailed, and partly because of the more liberal concept of dealer inventory volume that this has engendered.

In other words, dealers have been sleeping easier with heavier inventories although an immediate market for individual items has usually been vague or nonexistent. The "loss leader" has been the prevailing method of account termination. But with it all, most of the dealers keep pushing in quest of new issues hoping for the fast one and trusting that the infrequent negotiated issue may more than even accounts.

Business Demands on Credit Market Not Large

With the seasonal fall-off in steel output, as well as the easing of activity in other major industries, any upward business impetus during the summer months will largely derive from the exhilaration of government spending; mostly in the form of consumer outlays. Even though a strenuous business recovery continues to be evident, heavy construction activity seems not imminent and thus the demand for long-term funds promises not to be a pressing current problem.

As a consequence, in part, the large institutional investors seem presently considering tax-exempt bonds as an attractive investment alternative. Moreover, state and municipal bonds are available in volume. Although the demand for funds through increased business tempo may soon increase, and the abundance of free reserves may be consequently reduced, investment programs must proceed with but little lag. This general situation largely accounts for the current flurry in municipals.

Yield Index Down

The *Commercial and Financial Chronicle's* high grade general obligation bond yield Index was reduced substantially this past week. As of July 12 it averaged out at 3.37%; down from 3.423% a week ago. This abrupt change has been primarily due to strong bidding for new issues, with concurrent mark-ups in the secondary market offerings from which our yield average is derived.

Usually the transition is more gradual. However, the overcompetitive nature of the business through recent months seems to call for opportunistic moves at the least market provocation.

Recent Financing

The largest issue of the week, $51,865,000 New York State Housing Finance Agency serial revenue (1964-2004) bonds, was sold on July 12, through negotiation, to a large group managed jointly by Phelps Fenn & Co., Inc., Lehman Brothers, Smith Barney & Co., Inc. and W. H. Morton & Co., Inc. These bonds, the first portion of a total of $525,000,000 authorized by the New York State legislature in 1960 are not general obligations of the state but of the issuing agency. The proceeds from the sale of the bonds, which are secured by first mortgage liens on the four projects covered by the issue, will be used principally for mortgage loans by the agency to limited profit companies engaged in building middle-income housing developments. The bonds were scaled to yield from 2.20% to a price of 100 for a 4% coupon. From indications at this writing, investor response to this new type offering has been good and a successful deal appears likely.

The tempo of competitive new issue underwritings picked up considerably this week following an inactive calendar last week due to the holiday. On Monday, July 10, Flint, Michigan awarded $5,580,000 various general obligations (1962-1991) bonds to the syndicate headed by the Morgan Guaranty Trust Co. and including Lehman Brothers, C. J. Devine & Co., R. W. Pressprich & Co., Paribas Corp. and others. The bonds were reoffered to yield from 1.60% to 3.75% and at this writing there is a balance of $3,670,000 left in account.

Tuesday, July 11, saw the sale of numerous issues. The largest issue, $18,800,000 Los Angeles, California general obligation (1962-1981) bonds, was won by the group headed by Bank of America N. T. & S. A. and which included The First National City Bank of New York, Blyth & Co., Inc., The First Boston Corp., The First National City Bank of Chicago, Smith Barney & Co. and the Security First National Bank. The issue was scaled to yield from 1.65% to 3.60% and was sold out immediately upon reoffering.

Also, Memphis, Tennessee sold two issues totaling $13,500,000 general obligation bonds to the Halsey, Stuart & Co., Inc. and Blyth & Co., Inc. group. The $10,000,000 general improvement (1962-1991) issue was priced to yield 1.60% to 3.55% in 1988. The last three maturities bore a 1% coupon and were not reoffered. The issue of $3,500,000 urban transit facility (1962-1981) bonds was scaled to yield from 1.60% to 3.40%. At present, an overall balance of $6,540,000 remains in account.

Texas School Bonds Well Received

The Board of Regents of the University of Texas and the Board of Directors of the Agricultural & Mechanical College of Texas also awarded on July 11, $6,000,000 and $5,000,000 Permanent University fund (1962 - 1981) bonds, respectively, at concurrent bond sales to the syndicate managed jointly by Merrill Lynch, Pierce Fenner & Smith, Inc. and White, Weld & Co. Among the other underwriters were Equitable Securities Corp., Stone & Webster Securities Corp., Paribas Corp. and Spencer Trask & Co.

These highly rated bond issues are secured by a first lien on the respective interests of both institutions in the income from the Permanent University Fund, whose marketable assets totalled $358,463,043 on March 31, 1961, and was 75.7% invested in U. S. Government securities. The issue was well received by investors and a balance of $3,360,000 is reported by the account.

Another issue which attracted considerable interest on July 11 was $7,000,000 Honolulu, Hawaii limited tax general obligation (1966-1991) bonds. The syndicate headed by Halsey, Stuart & Co., Inc. and including John Nuveen & Co., F. S. Smithers & Co., R. W. Pressprich & Co., A. C. Allyn & Co., and others submitted the high bid for the issue. The bids were scaled to yield from 2.70% to 4.00% in 1990 for 5s and 3.80s. The last maturity bore a 1% coupon and was priced to yield 4.35%. The present balance is reported to be $3,600,000.

Inventory Manageable

The inventory situation as indicated by the *Blue List* total of state and municipal bonds is moderately improved against the totals of a few weeks back. While over $500,000,000 was regularly listed then, the total on July 12 was under $450,000,000. There is but little assurance that the total will not soon increase as new issue volume continues to be fairly heavy and the disposition of dealers seems against pricing for immediate investor take.

In this connection, the State of California plans to sell $225,000,000 of serial bond issues on August 16. This offering, the largest in the state's history, seems not to have disturbed the market; at least not for the present. The calendar, covering the next five to six weeks, totals about $575,000,000 at present. This total includes only scheduled competitive bidding and it would seem to be seasonably heavy. There are no important negotiated loans now close to market.

The *Smith, Barney & Company* Turnpike bond yield Index is unchanged since last reporting. It averaged at a yield of 3.82% on July 6, the last reporting date. On June 29, the average was the same.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.75%	3.60%
Connecticut (State)	3¾%	1980–1982	3.45%	3.35%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.45%	3.35%
New York (State)	3%	1978–1979	3.30%	3.20%
Pennsylvania (State)	3⅜%	1974–1975	3.20%	3.10%
Vermont (State)	3⅛%	1978–1979	3.25%	3.15%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.40%	3.25%
Los Angeles, Calif.	3¾%	1978–1980	3.70%	3.60%
Baltimore, Md.	3¼%	1980	3.45%	3.35%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.65%	3.50%
Chicago, Ill.	3¼%	1977	3.70%	3.55%
New York City, N. Y.	3%	1980	3.60%	3.55%

July 12, 1961 Index=3.37%

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

July 13 (Thursday)			
Lovington Mun. Sch. Dist. 1, N. M.	1,000,000	1962-1966	1:30 p.m.
Milwaukee County, Wis.	11,429,000	1962-1981	11:00 a.m.
Springfield, Ore.	1,960,000	1966-1991	7:30 p.m.
Washington State University	8,354,000	1962-2000	9:00 a.m.
July 15 (Saturday)			
Hopkins County, Ky.	1,600,000	1962-1981	10:00 a.m.
July 17 (Monday)			
Florida Development Commission	2,000,000	1963-1971	11:00 a.m.
Western Illinois University	3,000,000	1964-2001	2:00 p.m.
July 18 (Tuesday)			
Bloomington, Minn.	3,500,000	1963-1982	4:30 p.m.
Collier County, Fla.	1,600,000	1962-1991	11:00 a.m.
Corpus Christi, Texas	2,400,000	1962-1981	10:00 a.m.
Douglas County Sch. Dist. 66, Neb.	1,000,000	1967-1990	4:00 p.m.
Glendale Unified Sch. Dist., Calif.	2,000,000	1962-1981	9:00 a.m.
Granite School District, Utah	2,166,000	1962-1972	7:30 p.m.
Knoxville, Tenn.	2,000,000	1962-1981	10:00 a.m.
Ludlow, Mass.	1,950,000	1962-1980	Noon
Maine (State of)	9,600,000	--------	11:00 a.m.
Meriden, Conn.	4,802,000	1963-1981	11:00 a.m.
Monroe, Louisiana	1,700,000	1962-1986	10:00 a.m.
Newark, N. J.	8,000,000	1962-1981	Noon
Palacios Indep. Sch. Dist., Texas	1,000,000	1962-1993	8:00 p.m.
South Milwaukee, Wis.	1,400,000	1962-1981	2:00 p.m.
Stockton Unified Sch. Dist., Calif.	2,674,000	1962-1986	1:30 p.m.
Sweetwater Jr. College Dist., Calif.	1,000,000	1964-1985	10:30 a.m.
July 19 (Wednesday)			
Charleston, S. C.	2,500,000	1962-1993	Noon
Garden City Sch. Dist., Kan.	1,425,000	1963-1982	11:00 a.m.
South Shore Reg. Sch. Dist., Mass.	1,600,000	1962-1971	11:00 a.m.
July 20 (Thursday)			
Menasha, Wis.	1,300,000	1962-1981	2:00 p.m.
Mississippi (State of)	4,200,000	1964-1996	10:00 a.m.
Northeast Missouri State Teachers College	1,363,000	1963-2000	5:30 p.m.
Oklahoma City, Okla.	1,561,000	1966-1968	10:00 a.m.
July 21 (Friday)			
Newark Special Sch. Dist., Del.	1,200,000	1962-1985	Noon
St. Andrews Presbyterian College North Carolina	1,340,000	1964-2001	10:00 a.m.
July 24 (Monday)			
Clackamas County UHSD 5, Ore.	2,500,000	1962-1974	8:00 p.m.
Coldwater, Mich.	1,995,000	1962-1986	8:00 p.m.
Eugene, Ore.	1,000,000	1962-1981	10:00 a.m.
New Mexico State Armory Board	1,000,000	1962-1971	1:30 p.m.
Spring Lake Heights, N. J.	1,120,000	1962-1991	8:30 p.m.
July 25 (Tuesday)			
Connecticut College for Women	3,000,000	1963-2000	11:00 a.m.
Gwinnett County Sch. Dist., Ga.	1,250,000	1962-1981	2:00 p.m.
Ithaca College, New York	2,978,000	1963-2000	3:00 p.m.
Northwest Water Dist., Colo.	2,500,000	1966-1981	10:30 a.m.
University of Vermont	2,370,000	1962-1999	2:00 p.m.
July 26 (Wednesday)			
Alaska (State of)	13,975,000	1962-1991	9:30 a.m.
Hempstead UFSD No. 10, N. Y.	4,325,000	1962-1991	3:00 p.m.
Lexington Mun Imp. Corp., Ky.	1,900,000	1962-1981	10:45 a.m.
Michigan (State of)	35,000,000	--------	--------
North Carolina (State of)	17,160,000	--------	--------
Whitehall City Sch. Dist., Ohio	1,100,000	1962-1983	11:00 a.m.
July 27 (Thursday)			
Maricopa County, Ariz.	1,512,000	1962	11:00 a.m.
Tampa, Fla.	2,850,000	--------	--------
Triton Sch. Bldg. Corp., Ind.	1,700,000	1964-1991	1:00 p.m.
July 28 (Friday)			
Kent State University, Ohio	2,500,000	1962-1999	11:00 a.m.
July 29 (Saturday)			
So. Blount Co. Utility Dist., Tenn.	1,000,000	1963-1995	11:00 a.m.
July 31 (Monday)			
Charleston, West Virginia	4,000,000	1962-2000	Noon
Aug. 1 (Tuesday)			
Mobile, Ala.	8,000,000	--------	--------
Palos Verdes Peninsula USD, Calif.	1,300,000	1962-1986	9:00 a.m.
Aug. 2 (Wednesday)			
Maryland (State of)	16,943,000	--------	--------
Public Housing Admin., D. C.	60,315,000	1962-2001	Noon
San Jose, Calif.	4,000,000	1962-1981	11:00 a.m.

New Issues

$18,800,000
CITY OF LOS ANGELES
LOS ANGELES COUNTY, CALIFORNIA
3½% and 3¼% BONDS

Dated, August 1, 1961 ***Due August 1, 1962-81, Incl.***

PAYMENT AND REGISTRATION—Principal and semi-annual interest (February 1 and August 1) payable, at the option of the holder, at the office of the City Treasurer in Los Angeles, California, or at any fiscal agency of the City in New York, N. Y., or in Chicago, Ill. Coupon bonds in denomination of $1,000 registrable only as to both principal and interest.

TAX EXEMPTION—In the opinion of counsel, interest payable by the City upon its bonds is exempt from all present Federal and State of California personal income taxes under existing statutes, regulations and court decisions.

LEGALITY FOR INVESTMENT—We believe that these bonds, are legal investments in New York for savings banks and trust funds, in Massachusetts for savings banks, and in California for savings banks, subject to the legal limitations upon the amount of a bank's investment, and are likewise legal investments in California for other funds which may be invested in bonds which are legal investments for savings banks, and are eligible as security for deposits of public moneys in California.

PURPOSE AND SECURITY—These bonds, issued under provisions of Article 1, Chapter 4, Division 4, Title 4, California Government Code for various library, fire prevention, and sewer purposes, in the opinion of counsel constitute the valid and legally binding obligations of the City of Los Angeles and are payable, both principal and interest, from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable real property in said City and which, under the laws now in force, may be levied without limitation as to rate or amount upon all taxable personal property, except certain classes thereof, in said City.

TAX GAIN, AMORTIZATION OF PREMIUM—These bonds will be initially issued by the above named political subdivision at not less than their par value, and a taxable gain may accrue on bonds purchased at a discount. Investors are required under existing regulations to amortize any premium paid thereon.

LEGAL OPINION—The above bonds are offered when, as and if issued and received by the underwriters listed below, as well as other underwriters not shown whose names will be furnished on request and subject to approval of legality by Messrs. O'Melveny & Myers, Attorneys, Los Angeles, California.

ISSUES, AMOUNTS, RATES MATURITIES AND YIELDS OR PRICES

(Accrued interest to be added)

$800,000 Library Bonds, Election 1957, Series E
Due: $40,000 August 1, 1962-81, incl.

$3,000,000
Fire Department Bonds, Election 1959, Series C
Due: $150,000 August 1, 1962-81, incl.

$15,000,000 Sewer Bonds, Election 1961, Series A
Due: $750,000 August 1, 1962-81, incl.

Amount	Rate	Due	Yield or Price
$940,000	3½%	1962	1.65%
940,000	3¼	1963	2.00%
940,000	3¼	1964	2.20%
940,000	3¼	1965	2.35%
940,000	3¼	1966	2.50%
940,000	3¼	1967	2.65%
940,000	3¼	1968	2.80%
940,000	3¼	1969	2.90%
940,000	3¼	1970	3.00%
940,000	3¼	1971	3.10%
940,000	3¼	1972	3.20%
940,000	3¼	1973	100
940,000	3¼	1974	3.30%
940,000	3½	1975	3.40%
940,000	3½	1976	100
940,000	3½	1977	100
940,000	3½	1978	3.55%
940,000	3½	1979	3.55%
940,000	3½	1980	3.60%
940,000	3½	1981	3.60%

Bank of America N. T. & S. A. — The First National City Bank *of New York* — Blyth & Co., Inc. — The First Boston Corporation — The First National Bank *of Chicago* — Smith, Barney & Co. — Security First National Bank

Wells Fargo Bank American Trust Company — United California Bank — Crocker-Anglo National Bank — The Northern Trust Company — R. H. Moulton & Company — Merrill Lynch, Pierce, Fenner & Smith *Incorporated*

Dean Witter & Co. — Seattle-First National Bank — William R. Staats & Co. — John Nuveen & Co. *(Incorporated)* — Wertheim & Co. — Shearson, Hammill & Co. — Paribas Corporation

Clark, Dodge & Co. *Incorporated* — First National Bank in Dallas — First Southwest Company — Lyons & Shafto *Incorporated* — Mercantile National Bank at Dallas — New York Hanseatic Corporation — Republic National Bank *of Dallas*

Roosevelt & Cross *Incorporated* — Stone & Youngberg — Trust Company of Georgia — Cruttenden, Podesta & Co. — First of Michigan Corporation — Gregory & Sons — J. A. Hogle & Co.

Irving Lundborg & Co. — McMaster Hutchinson & Co. — Shuman, Agnew & Co. — Stern, Lauer & Co. — Taylor and Company — Wells & Christensen *Incorporated* — The First National Bank *of Memphis* — Ginther & Company

J. B. Hanauer & Co. — Henry Harris & Sons *Incorporated* — Industrial National Bank of Providence — Kean, Taylor & Co. — A. M. Kidder & Co., Inc. — Robert W. Baird & Co. *Incorporated* — C. F. Childs and Company *Incorporated*

Dallas Union Securities Co., Inc. — Fahey, Clark & Co. — First National Bank *in St. Louis* — The Fort Worth National Bank — Horner, Barksdale & Co. — Hutchinson, Shockey & Co. — Kalman & Company, Inc.

Seasongood & Mayer — Seattle Trust and Savings Bank — Stubbs, Watkins & Lombardo, Inc. — Thornton, Mohr, Farish & Gauntt, Inc. — Robert Winthrop & Co. — Arnold & Derbes *Incorporated*

Crane Investment Co., Inc. — Dittmar & Company, Inc. — A. G. Edwards & Sons — Elkins, Morris, Stokes & Co. — Fahnestock & Co. — Federation Bank and Trust Co. — First National Bank *of Minneapolis*

The First National Bank *of St. Paul* — First Union National Bank *of North Carolina* — Hooker & Fay, Inc. — Lawson, Levy, Williams & Stern — Mitchum, Jones & Templeton — Northwestern National Bank *of Minneapolis* — The Provident Bank

Ryan, Sutherland & Co. — Stein Bros. & Boyce — Wagenseller & Durst, Inc. — J. R. Williston & Beane — Arthur L. Wright & Co., Inc. — Brush, Slocumb & Co., Inc. — City National Bank and Trust Company *of Chicago*

Magnus & Company — Wm. J. Mericka & Co., Inc. — William S. Morris & Co. — Irving J. Rice & Company *Incorporated* — Stern, Frank, Meyer & Fox — Stockyards National Bank — Wachovia Bank and Trust Company

Ray Allen, Olson & Beaumont, Inc. — Frank & Robert Bender Co. — Allan Blair & Company — Cavalier & Otto — The Continental Bank and Trust Company *of Salt Lake City* — Cooley & Company

The First of Arizona Company — The First Cleveland Corporation — Hess, Grant & Remington *Incorporated* — Johnston, Lemon & Co. — McDonnell & Co. *Incorporated* — Park, Ryan, Inc. — Sutro Bros. & Co. — J. C. Wheat & Co.

Wulff, Hansen & Co. — Ellis & Company — R. James Foster & Co., Inc. — Hannaford & Talbot *A Corporation* — Newburger, Loeb & Co. — Pierce, Carrison, Wulbern, Inc. — H. V. Sattley & Co., Inc.

Fred D. Blake & Co. — Jones, Cosgrove & Miller — Raffensperger, Hughes & Co. *Incorporated* — The Weil, Roth & Irving Company — C. N. White & Co.

July 12, 1961

A circular relating to these bonds may be obtained from any of the above underwriters, as well as other underwriters not shown whose names will be furnished on request.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Canadian Business Guide—Newly revised booklet on income taxes in Canada—Bank of Nova Scotia, New York Agency, 37 Wall Street, New York 5, N. Y.

Canadian Dollar—Study—Greenshields & Co. (N. Y.) Inc., 64 Wall Street, New York 5, N. Y.

Canadian Market — Review—Equitable Securities Canada Limited, 60 Yonge Street, Toronto 1, Ont., Canada.

Commercial Bank Stocks—Brochure of data on 53 banks throughout the country — First Boston Corporation, 15 Broad St., New York 5, N. Y. Also available is a brochure of data on 22 selected **Life Insurance Company** stocks.

Favored Common Stocks—Review of selected issues in various categories—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

Japanese Market — Review—Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also available is an analysis of **Mitsukoshi Ltd.**

Japanese Market — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of **Nippon Sheet Glass Co., Toyo Toki Co.** and a bulletin on Foreign Investments in Japanese Public Bonds and Bank Debentures.

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of **Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.; and Showa Oil Co.**

New York City Banks—Quarterly comparison of 10 largest banks—Bankers Trust Company, Bond Department, 16 Wall Street, New York 15, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Relationship Between Yields on Municipal and U. S. Government Bonds Since 1954—Study—Investment Bankers Association of America, 425 Thirteenth Street, N. W., Washington 4, D. C.

Silver—Review—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

Space and the Investor—Special report—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available are data on **Metro-Goldwyn-Mayer, Berman Leasing Company** and **Ekco Products.**

Tax Exempt Bond Market—Midyear survey — Halsey, Stuart & Co., Inc., 123 South La Salle St., Chicago 90, Ill.

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Addressograph Multigraph — Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y.

Air Metal Industries, Inc. — Analysis — Lloyd Securities, 150 Broadway, New York 38, N. Y.

American Natural Gas Company—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Siegler Corporation**, and a memorandum on **Perolite Corp.**

Bell Telephone Company of Canada — Andras, Hatch & McCarthy, 320 Bay Street, Toronto 1, Ont., Canada.

Bonanza Air Lines—Report—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif. Also available is a memorandum on **Armstrong Paint & Varnish Works.**

Canadian Celanese—Memorandum —McLeod, Young, Weir & Company Limited, 50 King Street, West, Toronto 1, Ont., Canada.

Chicago Pneumatic Tool Co.—Data—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are data on **Joy Manufacturing, Worthington Corporation, Shamrock Oil & Gas,** and **Broken Hill Proprietary Co.**

Cities Service Co.—Review—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y. Also available are reviews of **Columbian Carbon Co., Dow Chemical Co., B. F. Goodrich Co., Nopco Chemical-Olin Mathieson Chemical** and **Schering Corp.**

Coastal States Gas Producing Company—Analytical brochure—Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.

Corn Products Co. — Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

Cyprus Mines Corporation—Analytical brochure—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

Diversa, Inc. — Report — Holton, Henderson & Co., 210 West 7th Street, Los Angeles 14, Calif.

Electronic Associates, Inc.—Analysis—Bruno-Lenchner, Inc., Bigelow Square, Pittsburgh 19, Pa.

El Paso Natural Gas—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on **Levitt & Sons, Inc.** and reviews of **Stone & Webster Inc.** and data on **Columbia Pictures, Coastal States Gas Producing Co., Bleco Petroleum Corp., Tex Star Oil & Gas Corp., B. F. Goodrich,** and **Dominion Steel & Coal.**

Employers Casualty Company—Analysis—Walker, Austin & Waggener, Republic National Bank Building, Dallas 1, Texas.

Falconbridge Nickel Mines Limited — Report — Draper Dobie & Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada. Also available is a discussion of **Ventures Limited.**

Great Lakes Paper Co.—Bulletin —Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Illinois.

Greater Washington Industrial Investments Inc. — Study — Auchincloss, Parker & Redpath, 1705 H Street, N. W., Washington 5, D. C.

Hamilton Manufacturing Company —Report—Loewi & Co., Incorporated, 225 East Mason Street, Milwaukee 2, Wis.

Hoover Ball Bearing Company—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a report on **Colonial Corp.**

Howe Sound Company—Report—Hemphill, Noyes & Co., 8 Hanover Street, New York 4, N. Y. Also available are discussions of **Missile Systems, Papercraft Corp.** and **U. S. Rubber** and a mmorandum on **Collins & Aikins.**

Latrobe Steel — Memorandum—Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa.

Lockheed Aircraft—Data—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **J. C. Penney, U. S. Industries,** and **Dow Chemical Co.** and a memorandum on **Paramount Pictures Corp.**

Maremont Corporation — Analytical brochure—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **Continental Air Lines.**

National Bank of Detroit—Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

National Homes Corp.—Discussion in July "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York 5, N. Y. Also in the same issue are discussions of **S. H. Kress & Company, Witco Chemical Company, Collins & Aikman Corp., American Air Filter Company, Cerro Corp.** and **American Investment Company of Illinois.**

Simulmatics Corporation—Detailed Report—Russell & Saxe, Inc., 50 Broad Street, New York 4, N.Y.

Solar Systems Inc. — Report—Darius Incorporated, 80 Pine St., New York 5, N. Y.

Standard Oil of New Jersey—Survey—Schirmer, Atherton & Co., 50 Congress Street, Boston 9, Mass. Also available are surveys of **Microwave Associates Inc., Union Pacific Railroad** and **Carwin Company** and a memorandum on **Scott & Williams.**

Telex, Inc.—Report—Ball, Burge & Kraus, Union Commerce Bldg., Cleveland 14, Ohio.

United Carbon—Report—Hardy & Co., 30 Broad Street, New York 4, N. Y.

Utilities & Industries Corp.—Memorandum — Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available is a list of depressed stocks which may rally.

U. S. Industries Inc.—Analysis—Stein Bros. & Boyce, 6 South Calvert Street, Baltimore 2, Md.

Vulcan Materials — Memorandum —Pershing & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Amerada.**

Westgate California Corporation—Analysis — Parker Ford & Company, Inc., Vaughn Building, Dallas 1, Texas.

Pershing Admits D. S. Foster, Jr.

Persihng & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have announced that David Scott Foster, Jr. has been admitted to general partnership in the firm. Mr. Foster is a member of the American Stock Exchange.

Lewis With Blyth In Chicago

CHICAGO, Ill.—W. Wilson Lewis has been appointed manager of the Middle West Municipal Department of Blyth & Co., Inc., 135 South La Salle St. Mr. Lewis formerly was manager of the firm's Portland, Oregon Municipal Department.

Freben, Inc. Formed

LA MIRADA, Calif.—Freben, Inc. has been formed with offices at 14427 East San Feliciano Drive, to engage in a securities business. Officers are Fred Benjamin, President and Treasurer, and S. A. Benjamin, Vice-President.

NEW ISSUE

$51,863,000

New York State Housing Finance Agency

4% General Housing Loan Bonds, 1961 Series A

Dated July 1, 1961 **Due November 1, 1964 to November 1, 2004**

Interest payable November 1, 1961 and semi-annually thereafter on May 1 and November 1. Coupon bonds of $1,000 denomination, registerable as to principal only and fully registered bonds in denominations of $1,000 or any authorized multiple thereof. Coupon and registered bonds are interchangeable.

The Chase Manhattan Bank, Trustee
Morgan Guaranty Trust Company of New York, Depository
Bankers Trust Company, The First National City Bank of New York and United States Trust Company of New York, Paying Agents

The Bonds will be issued pursuant to the New York State Housing Finance Agency Act, Article XII-A of the Public Housing Law of the State of New York, for the purpose of providing the Agency with funds to make mortgage loans to limited-profit housing companies, to fund notes of the Agency issued for such purpose, and to deposit the required amount in the Capital Reserve Fund to be established and maintained by the Agency for the purpose of securing its General Housing Loan Bonds.

The Bonds will constitute, in the opinion of bond counsel for the Agency, direct and general obligations of the Agency and its full faith and credit will be pledged for the payment of the principal and redemption price of and interest on said Bonds. The Bonds will be further secured as set forth in the Offering Prospectus.

The Agency has no taxing power. The Bonds of the Agency will not be a debt of the State of New York and the State will not be liable on such Bonds.

Interest exempt, in the opinion of bond counsel for the Agency, under existing laws from Federal income taxes, and, by virtue of the New York State Housing Finance Agency Act, from New York State income taxes.

Legal investments, in New York State, pursuant to the New York State Housing Finance Agency Act, for certain persons, public bodies, institutions, and fiduciaries.

AMOUNTS, MATURITIES, YIELDS AND PRICES

Amount	Due	Yield	Amount	Due	Yield	Amount	Due	Yield or Price
$385,000	1964	2.20%	$935,000	1978	3.55%	$1,555,000	1991	3.90%
560,000	1965	2.40	970,000	1979	3.60	1,620,000	1992	3.90
585,000	1966	2.60	1,010,000	1980	3.65	1,680,000	1993	3.95
605,000	1967	2.75	1,050,000	1981	3.65	1,750,000	1994	3.95
630,000	1968	2.90	1,095,000	1982	3.70	1,820,000	1995	3.95
655,000	1969	3.00	1,135,000	1983	3.70	1,890,000	1996	3.95
680,000	1970	3.10	1,180,000	1984	3.75	1,970,000	1997	@100
710,000	1971	3.20	1,230,000	1985	3.75	2,045,000	1998	@100
740,000	1972	3.25	1,280,000	1986	3.80	2,130,000	1999	@100
770,000	1973	3.30	1,330,000	1987	3.80	2,215,000	2000	@100
800,000	1974	3.35	1,385,000	1988	3.85	2,305,000	2001	@100
830,000	1975	3.40	1,440,000	1989	3.85	2,395,000	2002	@100
865,000	1976	3.45	1,495,000	1990	3.90	2,490,000	2003	@100
900,000	1977	3.50				748,000	2004	@100

(Accrued interest to be added)

Bonds maturing on and after November 1, 1982, will be redeemable at the option of the Agency on November 1, 1981 at 104% and accrued interest, and thereafter, at the times and redemption prices as stated in the Offering Prospectus.

These Bonds are offered when, as and if issued and received by the underwriters, subject to the approval of legality by Messrs. Caldwell, Marshall, Trimble & Mitchell, bond counsel to the Agency. Certain legal matters will be passed on by Messrs. Mudge, Stern, Baldwin & Todd, counsel to the underwriters. The offering is not made hereby, but only by means of the Offering Prospectus, copies of which may be obtained from such of the undersigned and other underwriters as are registered dealers in this State.

Phelps, Fenn & Co. Lehman Brothers Smith, Barney & Co. Incorporated W. H. Morton & Co. Incorporated

Halsey, Stuart & Co. Inc. The First Boston Corporation Kuhn, Loeb & Co. Incorporated Blyth & Co., Inc. Harriman Ripley & Co. Incorporated

C. J. Devine & Co. Drexel & Co. Eastman Dillon, Union Securities & Co. Equitable Securities Corporation Glore, Forgan & Co. Goldman, Sachs & Co.

Hornblower & Weeks Ladenburg, Thalmann & Co. Carl M. Loeb, Rhoades & Co. Merrill Lynch, Pierce, Fenner & Smith Incorporated John Nuveen & Co. (Incorporated)

R. W. Pressprich & Co. Salomon Brothers & Hutzler Shields & Company Stone & Webster Securities Corporation B. J. Van Ingen & Co. Inc. Wertheim & Co.

A. C. Allyn and Company Incorporated Bache & Co. Bear, Stearns & Co. A. G. Becker & Co. Incorporated Blair & Co. Incorporated Alex. Brown & Sons Francis I. duPont & Co.

First of Michigan Corporation Ira Haupt & Co. Hemphill, Noyes & Co. Lee Higginson Corporation F. S. Moseley & Co. Paine, Webber, Jackson & Curtis Paribas Corporation

Reynolds & Co., Inc. L. F. Rothschild & Co. F. S. Smithers & Co. Weeden & Co. Incorporated Adams, McEntee & Co., Inc. Allen & Company American Securities Corporation

Bacon, Stevenson & Co. Barr Brothers & Co. J. C. Bradford & Co. Braun, Bosworth & Co. Incorporated Clark, Dodge & Co. Incorporated Coffin & Burr Dick & Merle-Smith

R. S. Dickson & Company Incorporated Eldredge & Co. Incorporated Estabrook & Co. Fitzpatrick, Sullivan & Co. Geo. B. Gibbons & Company Incorporated Goodbody & Co. Gregory & Sons

Hayden, Stone & Co. Hirsch & Co. W. E. Hutton & Co. Kean, Taylor & Co. Wm. E. Pollock & Co., Inc. Roosevelt & Cross Incorporated Shearson, Hammill & Co.

Tripp & Co., Inc. Tucker, Anthony & R. L. Day G. H. Walker & Co. Chas. E. Weigold & Co. Incorporated Wood, Struthers & Co.

New York, July 13, 1961

The Papercraft Corporation

By Dr. Ira U. Cobleigh, *Enterprise Economist*

A gifted management expands gift-wrapped earning power.

The intangible element that makes for great forward surges in corporate progress and profits is superior management. Many analysts and investment managers regard this priceless quality of managerial excellence as a major, if not a determining factor in the decision to purchase a particular stock. They constantly favor such issues as IBM, Minnesota Mining, U. S. Steel, General Motors, Texas Corp., etc., where outstanding managements, over the years, have produced outstanding earning power. But the biggest corporations have by no means a monopoly on executive talent. Look at the rapid rise of Revlon, E. J. Korvette, Franklin Life Insurance, Cenco Instruments, Texas Instruments, and hundreds of up and coming smaller enterprises, all sparked by "savvy" managements. And for today, we'd like you to look at Papercraft Corp., and to perceive the muzzle velocity of management here that has swiftly projected this company to dominance in gift wrappings and ascending importance in adhesive tapes.

Saga of Success

The Papercraft Corp. was incorporated 16 years ago with a paid-in capital of $10,000. From this modest grubstake the company has moved swiftly forward to a point where today it has assets of about $10 million and a net worth of $7.5 million. The recent rise in sales has been spectacular. For 1959, sales totaled $8,952,000. For 1960, the figure was $11,685,000, a gain of 30.5%; the management projection for 1961 is $17 million. Net profits have zoomed ahead at an even faster rate. Since 1955 while sales increased 205% net profits rose 314%.

What is the basis for all this forward motion? A hard working and imaginative management headed by Mr. Joseph M. Katz, Chairman and President; excellent cost controls; vision to anticipate consumer demands and beckoning markets; efficient manufacturing and smart merchandising, and a determination to achieve and maintain high profit margins.

From the outset Papercraft has been dedicated to quality. Until about 1950 it was thought that gift wrappings should sell in 10c, 15c and 25c range. Papercraft management was convinced that wrappings higher in quality and price would be eagerly bought, especially in supermarkets—so the company developed a whole line of higher priced multiple packaged products retailing at 98c and higher. Today the Kaycrest line of gift wraps dominates the supermarkets, and totally Papercraft products are sold in over 200,000 retail outlets, including some of the best known department and chain stores in America. Papercraft produces over 275 gift wrap items, including decorated papers and foils, and the ribbons to tie them with. The company also manufactures transparent plastic film, for wrapping food and household products, marketed under the Kaylene name.

Acquisition of LePage's

Adhesive tapes are closely allied to gift wrappings and accordingly Papercraft had, for some time, been seeking an opportunity to enter this field. Accordingly, a wide new horizon for corporate growth opened up when Papercraft, after careful analysis, acquired LePage's on April 29, 1960. This company was renowned for generations for the glues it made as a by-product of the fishing industry at Gloucester, Mass. But before Papercraft took over the company had been acting tired. It hadn't been making money, and in its peak year, 1958, sales were only $7,350,000 after 89 years in business.

The Papercraft management saw in LePage's not only an entry into the adhesive tape business but exciting potentials for profit. On taking over, Papercraft immediately closed down warehouses and offices in four cities, lopped off unproductive sales overhead, and moved administrative headquarters to the Papercraft home office in Pittsburgh. The savings achieved in administration costs alone were $350,000 a year. Further, overhead at Gloucester was substantially reduced and about half of prior salaried personnel was eliminated without impairment in operating efficiency.

As a result of this "taut ship" operation, LePage's was in the black within 30 days, and by the fourth quarter of 1960 was operating at better than the profit goal set — namely 20% before taxes.

Papercraft believes the LePage's division has a promising future. This facility, together with a cellophane manufacturing facility acquired from the United States Rubber Co., places Papercraft in a position to compete in the $50 million consumer tape market heretofore dominated by Minnesota Mining & Manufacturing Co., and in the $200 million market for industrial tapes. By cost reduction techniques LePage's Thriftape now offers 1,000 inches of cellophane tape, half-inch wide, for 29 cents retail, against a conventional package of only 200 inches for 25 cents. A new line of LePage's decorated Christmas giftape has been developed, which should be able to capture a big slice of this seasonal market. Altogether, Papercraft management is delighted with its purchase of LePage's. Earning power has swiftly developed here and annual sales of $25 million from this division alone are anticipated within a very few years.

The Outlook

Papercraft is now the largest manufacturer of gift wrappings and has been enjoying what seems to be a built-in growth rate of about 20% a year. This is developed, not only by normal growth and rising opulence of the U. S. population but by aggressive penetration of competitors' markets. In 1960 there was some price cutting in the industry, but Papercraft is well equipped to meet this—both because of the quality preference enjoyed by Kaycrest, its superior corporate efficiency and higher profit margins. If price cutting in the business should become more persistent, Papercraft is prepared to turn out a new line of lower cost items to meet it. Papercraft thrives on competition and has always been able to cope with it by attractive quality products, advance analysis of customer buying trends, and the development of a network of distributors serviced by a minimum number of sales personnel.

The future at Papercraft appears attractive. Not only is a sales increase of 40% to 50% expected for this year but the company is eyeing attractive and virtually untapped European markets. Papercraft International Ltd. is scheduled to become a wholly owned foreign subsidiary, and plans are afoot for a plant in Ireland that can use again certain engraved printed rollers to turn out designs now outmoded for the American market but still new and entirely acceptable in Europe. Further advantages in Irish manufacture would include free grants against the costs of buildings and equipment, a 10-year tax haven and lower labor and overhead costs. An investment of about $500,000 for this European facility has been blueprinted.

Papercraft Common

On the financial side Papercraft common has been an attractive and rewarding investment since the company "went public" less than three years ago. Per share net has risen from 65 cents in 1957 to $1.02 for 1960; and a substantial increase in net for 1961 is predicted. The current dividend rate is 50 cents and the cash dividend has been increased three times in the past three years. There seems to be good opportunity here for cash dividends to be supplemented from time to time by attractive subscription rights and, possibly, stock dividends or splits. (There was a 2-for-1 split in 1959.)

In Papercraft Corp. we perceive an enterprise a little off the beaten path, moving ahead at an exciting rate and achieving unusually high profit margins. Management is eager, progressive, ingenious and successful. The shares in this company, now selling around 46 over-the-counter, should appeal to growth-minded investors appreciative of gift-wrapped dividends.

Mericka Co. Opens Branch in Columbus

COLUMBUS, Ohio — George M. Montag has opened a branch office for Wm. J. Mericka & Co., Inc., in the University Club Bldg. This office will conduct a general securities business, both corporate and municipal.

Mr. Montag was with John B. Joyce & Co. for the past two years and prior to that was Ohio district sales manager for Encyclopedia Britannica Films. He is the third generation of his family in the securities business. His grandfather was a Vice-President of Kidder, Peabody & Co., New York, and his father with Lee Higginson Corp., New York. Two uncles are also in the investment securities field.

Wm. J. Mericka & Co., headquartered in Cleveland, was established in 1930.

With Paine, Webber

PHILADELPHIA, Pa. — Paine, Webber, Jackson & Curtis, members of the New York Stock Exchange, announce that Martin Abrahams is now associated with their Philadelphia office, 1400 South Penn Square as a registered representative.

Britain's Indifference To the Sterling Problem

By Paul Einzig

Britain is sharply criticised for its inaction, allowing precious weeks to pass, in the face of an acutely threatening sterling crisis. The same sympathy, also, is expressed for failure to realize the full implications of Ghana's reaction to Britain's desire to join E.C.M. Dr. Einzig compares the labor cost problem to the wage-spree of 1957 and notes the one essential difference of a payments surplus then and the opposite today. He is dubious about the remedial effectiveness of the surcharge and payroll tax plan and about the therapeutic effect of E.C.M. in curbing labor-induced inflation.

LONDON, Eng. — Pressure on sterling continues unabated, judging by the decline of the Sterling Area gold and dollar reserve by £47 million during June and by the further widening of the discount on forward sterling. The government's inaction in face of the threat of an acute crisis is not exactly helpful in strengthening confidence. It is true, Mr. Selwyn Lloyd promised the House of Commons that he would announce some measures in defense of sterling before Parliament rises for summer recess at the end of this month. But each week that is allowed to slip by aggravates the situation, not only because the gold reserve declines further but also because further wage demands are conceded.

Dismisses Reasons for Inaction

Possibly the reason for the delay is that the Finance Bill authorizing the Chancellor of the Exchequer to impose 10% surcharge on all indirect taxes and a small payroll tax will not become law for another fortnight. But there seems to be no valid reason why other measures should not be announced straightaway, unless the government is ill-advised enough to rely exclusively on these two measures, in which case it is clearly asking for trouble.

Evidently the government has failed to realize the urgency of the need for action. Alternatively, it may wish to time its announcements with the announcement of American assistance at present negotiated in Washington. Such assistance would make no difference to the basic situation which would be allowed to deteriorate under its protection.

The recent failure of one or two strikes, and the condemnation of corrupt Communist influence in the Electrical Trades Union by a Law Court judgment, have somewhat improved the labor situation, even though the statement by the Chairman of the Trades Unions Congress seeking to minimize the importance of that judgment and to excuse unofficial strikes has gone a long way towards counteracting the favorable effect. Pressure for higher wages and shorter hours is on the increase. The atmosphere is more or less the same as it was during the wages spree of 1957, but the essential difference is that, while four years ago there was a balance of payments surplus, this time we are faced by a chronic balance of payments deficit.

E.C.M. and Implications of Ghana's Move

On top of everything else, a new threat to sterling has now developed in connection with Britain's intention to join the European Common Market. In a recent statement, Mr. Nkrumah declared that if this should be done on terms unsatisfactory from the point of view of Ghana then Ghana would leave the Sterling Area. The full implications of this threat do not appear to have been realized either in official circles. On March 31, 1961, London balances of Sterling Area countries amounted to nearly $2,500 million. Ghana's holdings must be quite substantial. Withdrawal from the Sterling Area would mean that a large proportion of its balances would be converted into other currencies. Other Sterling Area countries which have achieved or are about to achieve independence, would be in a position to follow Ghana's example, in which case total withdrawals on that account might well run into hundreds of millions of pounds.

While it seems probable that Canada, New Zealand and Australia will go out of their way to make some concessions to enable Britain to join the Common Market, Mr. Nkrumah can be depended upon for holding out for the maximum price in return for withdrawing his threat. It seems highly doubtful whether France and other Common Market countries would be willing to agree on terms which would be acceptable to Mr. Nkrumah and other Commonwealth Governments. And it is quite certain that Britain cannot afford to disregard threats of withdrawals from the Sterling Area. Threats of withdrawals from the Commonwealth are bad enough, but threats to withdraw from the Sterling Area are an even more immediately effective deterrent.

To sum up the position, even if the British Government could afford politically to pay the price of Britain's membership in the Common Market by facing a disintegration of the Commonwealth, it could not afford financially to pay the price in the form of a decline of the gold reserve below danger level. Yet it seems reasonable to assume that Mr. Nkrumah will take full advantage of the situation and that his demands, if conceded, will effectively wreck the Common Market negotiations. Already he is talking about economic aid without strings, which is a foretaste of things to come.

Britain's Mounting Cost Structure

Mr. Nkrumah's threat has further weakened the chances of Britain joining the Common Market in the foreseeable future. To do so in disregard of Ghana's attitude would mean a considerable aggravation of the pressure on sterling, especially if Ghana's example should be followed by other Commonwealth countries. It would be unrealistic, therefore, to expect a reversal of the upward trend of prices, wages and costs in Britain as a result of early tariff reductions in connection with joining the Common Market, even if we assumed that the favorable effect of the change on manufacture prices would more than offset the increases of food and raw material prices resulting from the application of the Common Market's external tariff.

Meanwhile the application of Mr. Selwyn Lloyd's surcharges is certain to bring about an increase in the cost of living index and will accelerate the inflationary spiral. And yet the government seems to think it can afford to let precious weeks pass without taking any action whatever.

Kidder, Peabody to Admit Waldmann

On July 20 Charles J. Waldmann, Jr., will become a partner in Kidder, Peabody & Co., 17 Wall Street, New York City, members of the New York Stock Exchange. Mr. Waldman will retire from partnership in Kean Taylor & Co. as of the same date.

Outlook for Loan Funds and The Interest Rate Trend

By Harold L. Cheadle*, *Deputy Manager, American Bankers Association, New York City*

Bankers' economist assesses current and near-term interest rate movements; terms the Federal Reserve's "nudging" policy a "moderate success"; finds that the international interest rate differential was less important in our balance of payments problem than other factors, and looks at the future course of credit markets and interest rates. Mr. Cheadle's prediction of an upward rise in interest rates accompanying advancing economic activity is linked to the size of the government's deficit. Its size is held to be the most important influence in the credit markets over the next several months. The economist also examines other factors apt to moderate the upward adjustment of rates.

A few months ago even an approximate evaluation of the outlook for the supply and demand for loan funds and interest rates was clouded by (1) uncertainties regarding the incoming Administration, (2) balance of payments difficulties, and (3) the absence of any clear underlying trend of developments at the moment. The moment was one of mild recession which couldn't seem to make up its mind whether to get better or worse.


Harold L. Cheadle

Despite these foreboding elements, however, the opinion was expressed that the supply of funds would be adequate to finance any level of business activity short of an inflationary binge largely because of the application of traditional Federal Reserve policy. The demand for funds was guessed to continue to be somewhat below the supply and it was suggested therefore, that rates would tend to soften rather than harden until the turn-around in business occurred.

This was about what happened in the period since the last report. Rates softened a bit in the early months of the year but the fluctuations as well as changes in level were relatively moderate reflecting in part the mildness of the recession and the maintenance of comparatively strong demand for credit.

Interest Rate Upward Move

In more recent weeks credit developments have also mirrored the changes occurring in the economy as a whole. The money market, although remaining relatively easy, nevertheless has shown evidence of moderate tightening tendencies as the business outlook has crystallized a shade more now to the optimistic side. Sensitive short-term money rates have adjusted upward in response to this development as well as to the Treasury's fund-raising activities in the market. Treasury bill rates, the rate on Federal funds and call loan rates posted by leading money market banks all have moved to slightly higher levels.

These changes, influenced perhaps as much by shifts in investor sentiment as by the actual workings of increased credit demand, have occurred within the framework of a relatively unchanged Federal Reserve policy. The banking system continues to operate with free reserves of around $500 million, and as yet System policy has shown no clear indication of the drift toward less ease, which, if conditions continue to improve, appears to be inevitable.

It is perhaps too much to say that business loan demand has been soft—it has rather not been strong. In these circumstances banks have diverted additional funds into investments — preferably into the shorter term. These preferences are easily explained. Current concern over liquidity positions, prospects for the upsurge of stronger loan demand emanating from seasonal as well as cyclical factors, widespread expectations of further upward adjustments in interest rates combine to enhance the attractions of the shorter term issues.

In markets for intermediate and long-term funds, recent developments have featured the adjustment of rates to a level more consistent with the prospects for a sustained increase in business activity. Prices on government issues have been under fairly persistent downward pressures since mid-May and both corporate and municipal issues have experienced similar trends. The markets for these latter issues have featured an increasing volume of new offerings in recent weeks and rate movements have responded in the classical manner.

New Federal Reserve Policy

Before attempting to evaluate alternative guesses about the trend of events for the next several months it might be well to pause and discuss very briefly a shift in open-market policy that occurred shortly after the installation of the new Administration — perhaps, it would be more accurate to say shift in the techniques of open-market policy.

For some years now the Federal Reserve has pursued what has come to be known as a "bills preferably" policy. That is to say, they have confined their activities in the market, almost exclusively, to the purchase and sale of Treasury bills in determining the appropriate levels of bank reserves. This policy has been under continuous attacks, waxing and waning in degree of severity as conditions change, from a large number of people who are unqualified and a smaller proportion of those who are. The main weight of the argument of those who oppose this policy rests on the assertion that by buying and selling in all maturities the System can influence more quickly and efficiently the availability of funds and rates thereon.

The System has replied that the relative availability of funds spreads rather quickly among the several maturity ranges and there is little question that, at least in modern times, history is on their side. Short, intermediate and long rates move in sympathy with one another — not in precise proportions but in the same direction. The System has also maintained that substitution of its judgment for that of the market as to yield curves—i.e., allocation of available funds into their most efficient use as measured by the interplay of supply and demand factors is an untenable method of procedure and, if one can read between the lines, even a preposterous requirement. It has seemed to me that the System's position has made a lot of sense.

In recent months, however, the System has been faced with a combination of circumstances which add up to unpleasant alternative courses of action. The recession clearly called for and calls for ease in monetary and credit conditions and the consequence of this, of course, is softening rates. But our deficit in international accounts had been worsened by an already existing rate differential between the U. S. and money market centers abroad. To further widen the existing disparity in rates would have exposed our balance of payments to pressures which might have had highly undesirable consequences. How to maintain ease here without lowering interest rates on the face of it appears to be a contradiction in terms if not a physical impossibility.

The course pursued and still pursued was to shift the technique of supplying reserves to the banks through bill purchases to purchases of all maturities. The objective was, of course, to increase the supply of intermediate and long-term funds and thus lower interest rate costs in this credit sector and to, at a minimum, avoid further declines in the short-term area where we were exposed mainly to foreign competition for funds.

Terms Nudging Policy a Moderate Success

This activity—referred to as operation "nudge"—was a job worthy of a Hercules. How successful has it been? It has been referred to as a "monumental flop" by a large number of Treasury market participants. The nicest thing that it has been called is a "moderate success" with the emphasis on the "moderate."

The decline in short-term rates over the period has been moderate, much less than occurred in 1954 and 1958—other recession years. But this could have been the result of the mildness of the recession and debt management which concentrated debt financing in the short area in order to bolster rates. Perhaps both the least and the most that can be said is that Federal Reserve activities did not add to downward pressures on short-term rates and supplemented those tending to have upward pressures.

In the longer term areas, the picture seems to be a little clearer. It is hard to demonstrate that Fed purchases had much of an effect. In more recent periods this portion of the market has strengthened considerably despite the intrusion of the Fed and there was never an appreciably noticeable impact for more than a short period.

Interest Rate Differential

The dollar is in a better position vis-a-vis the rest of the world than it was a few months ago and this calls for an observation—namely, that the interest rate differentials were less important in our balance of payments difficulties than other factors. It is difficult to come to any other conclusion.

This is not a criticism of the Federal Reserve. It seems to me that the peculiarity of the situation—its seriousness, the unpleasantness of the alternatives—called for a show of courage and flexibility and this was forthcoming. Incidentally, this episode ought to quiet the criticism of the System as being inflexible and doctrinaire. I am not optimistic on this score, however. Having said this, however, I would want to be recorded on the side of those who surmise that not much has come of this action—to date, at least.

Looks at the Future

But now for a look at the future. On balance, the outlook for credit markets and interest rates appears to include the strong likelihood for advances in both the volume of credit demands and the general level of interest rates from recession lows. Loan demand at commercial banks is almost certain to expand over the balance of the year, reflecting in part the workings of normal seasonal factors, and seasonal tendencies for loan expansion are likely to be reinforced by cyclical changes. The economy's shift from a process of inventory liquidation to net ac-

cumulation will be working in the direction of stronger loan demand and, even aside from inventory changes, the projected overall advance in economic activity is likely to generate increased credit requirements by both business and consumers.

In markets for long-term funds, also, an increasing volume of credit demand appears in prospect. Rising strength in the demand for mortgage funds, moderate increases in corporate issues to finance a portion of the projected capital outlays, and continued increases in the volume of state and local government issues—all seem to point in the direction of a firming tone in the capital markets. When these probabilities are combined with the virtual certainty of increasingly heavy deficit financing by the Federal government, it is difficult to escape the conclusion that interest rates will come under further upward pressure as economic activity advances.

How fast these rate adjustments occur, and the levels to which interest rates rise, naturally will be conditioned by a number of forces which, while not inscrutable, nevertheless have dimensions which are as yet largely indeterminable. Basic among these is the size of the government deficit, which will likely be the single most important influence in the credit markets over the next several months. If it can be held to moderate proportions, there is reason to believe that the cyclical rise in interest rates may be somewhat milder than in previous periods of economic expansion. This view reflects the possibilities for a somewhat more gradual move toward restraint on the part of monetary authorities (whose policy decisions are likely to be influenced by the existence of surplus productive capacity in the economy, continuing tendencies for comparatively high-level unemployment, the dormancy of inflationary sentiment, and existing liquidity pressures in the commercial banking system). The prospects for a return flow of short-term and investment capital to the United States from foreign centers also may serve to moderate the upward adjustment in rates, and rising corporate profits should work in the same direction.

Whether or not the Federal Reserve will be active in shaping the structure of rates by dealing in various sectors of the maturity range remains to be seen, but it is likely that the policy of dealing in intermediate and longer-term issues will be abandoned as economic conditions improve and market rates begin responding to the forces of increased credit demand. The passage of time gradually has reduced the former justification (based on considerations of both domestic credit policy requirements and international financial pressures) for System transactions in all maturity ranges.

*An address by Mr. Cheadle at the Business Outlook Conference sponsored by the Chamber of Commerce of the United States, Washington, D. C., June 30, 1961.

Robt. Glenn Security Co.

JAMAICA, N. Y.—David B. Armstrong is conducting a securities business from offices at 86-25 Van Wyck Expressway, under the firm name of Robert Glenn Security Co. He was formerly President of Armstrong & Co., Inc.

Harnack, Gardner Formed

LOS ANGELES, Calif.—Harnack, Gardner & Co. has been formed with offices at 12014 Wilshire Blvd. Officers are Ronald S. Harnack, President; Jack E. Roberts, Secretary; and Philip Gardner, Vice-President and Treasurer. Mr. Harnack was formerly with Waddell & Reed, Inc. Mr. Gardner was with Hayden, Stone & Company.

Los Angeles Bonds Offered To Investors

A Bank of America N. T. & S. A. underwriting syndicate, which included First National City Bank of New York, on July 11 purchased an $18,800,000 bond issue of the City of Los Angeles, Cal.

The Bank of America group paid a premium of $529 for the 3½% and 3¼% bonds, or a net interest cost to the City of 3.39%. The dollar price was 100.003. The bonds were reoffered to yield from 1.65% to 3.60%, according to maturity Aug. 1, 1962-1981.

The offering consisted of $15,000,000 of sewer bonds, $3,000,000 of Fire Department bonds and $800,000 of Library bonds. The sewer bonds were the first offering from an authorization approved by voters earlier this year. The Fire Department bonds were the third offering from an issue voted in 1959. The Library bonds are the fifth offering from an issue voted in 1957.

Bank of America and its underwriting associates finance a major share of the civic improvements required for California's fast growing communities. The Bank and the underwriting groups it manages purchased more than $666 million of California state and municipal bonds in the past 12 months.

Schnapper Joins Jay Cherny Co.

WASHINGTON, D. C. — Norman Schnapper has been appointed manager of the Washington offices of Jay Cherny & Co., Inc., 815 Seventeenth Street, N. W.

Mr. Schnapper will take immediate charge of the firm's trading department and will also act as bond specialist.

Mr. Schnapper formerly was a bond trader with Mabon & Co. of New York. Prior to that he was associated with A. J. Frederick & Co., New York, as a stock trader.

R. H. Cassel Opens

GRAND JUNCTION, Colo.—Roy H. Cassel is conducting a securities business from offices at 2325 Hall Avenue.

With McCarley Co.

ASHEBORO, N. C.—R. Hoyt Atwood has joined McCarley & Company, Inc., members New York Stock Exchange, as a Registered Representative.

Dallas Analysts Elect Officers

DALLAS, Tex.—James C. McCormick has been elected President of the Dallas Association of Investment Analysts to serve for the 1961 - 62 fiscal year.


James C. McCormick

Mr. McCormick is Vice-President, Secretary and head of the research department of Eppler, Guerin & Turner Inc., Dallas investment banking firm and members of the New York Stock Exchange.

He has previously been a Vice-President of the Association and is a member of the Dallas Association of Security Dealers, the National Security Traders Association, and an Allied Member of the New York Stock Exchange.

The Dallas Association of Investment Analysts has 75 members in Dallas and Fort Worth engaged in appraising and analyzing securities. The organization is affiliated with the National Federation of Financial Analyst Societies, which has chapters in 24 U. S. and Canadian cities.

Other officers elected for the coming year are James R. Crews, New York Life Insurance Co., Vice-President; Lynn L. McCormick, Dallas Rupe & Son Inc., Vice-President and program chairman, and Paul H. Kirk, First National Bank in Dallas, Secretary-Treasurer. Members of the Executive Committee in addition to the officers, are E. Lynn Crosley, Dallas City Auditor, and William Paul Weathers, Fort Worth National Bank.

Heads Research Dept. for Gianis

David Shapleigh, Jr. has been appointed Director of the Research Department of Gianis & Co., Incorporated, 44 Wall Street, New York City.

Named Director

Ben S. Lichtenstein has been elected a director of General Electronics, Inc., it has been announced.

Mr. Lichtenstein is senior partner in B. S. Lichtenstein & Co., New York City, dealers in investment securities.

The Chemical Industry's Problems and Prospects

By Hans Stauffer*, *President, Stauffer Chemical Co., New York City*

Chemical industrialist's examination of his industry's outlook for each principal segment shows an overall bright sales and a disquieting profit picture. Attention is directed to mounting overhead labor, plant-equipment and pollution control costs and the critical inroads of some imports. Mr. Stauffer objurgates the onus and the costs placed upon the industry by the new Federal food and drug requirements, which he finds unnecessary for responsible companies. Proud of the industry's research-mindedness, the chemical head is confident that research offers the greatest prospect for the chemicals' continuing growth.

The chemical industry, the fourth largest manufacturing group in the nation, has been looked upon for some times as one of the great growth industries of our country. Certainly, its record since the end of World War II supports this reputation. During the past 10 years, the growth rate of the chemical industry has averaged about 7% per year, compared to a 3% average for all U. S. manufacturing. But some people have begun to ask whether the industry can continue this pattern. Will a slowdown in growth become evident in 1961? What effects will general economic trends have on the progress of this industry?

Hans Stauffer

I shall try to suggest answers to these questions as we go along, but perhaps I should stop here to define what I mean by "the chemical industry." Some may define it narrowly, while others broaden the scope to include almost the whole range of non-mechanical manufacturing.

I guess there is no completely satisfactory definition, but the most practical one and the one about which there are at least some reliable statistics is the definition of major group 28, chemicals and allied products, in the U. S. Bureau of Census Standard Industrial Classification Manual. Briefly, this group includes manufacturers of industrial chemicals, dyes, cosmetics, perfumes, detergents and soaps, drugs, synthetic resins, including fibers made from them, synthetic elastomers, agricultural chemicals, gum and wood chemicals, glues, gelatin, explosives, paints, varnishes and lacquers, ink, pigments and miscellaneous and specialty chemicals.

Non-Uniform Growth

The growth which has occurred in the chemical industry has not been uniform throughout all its sub-groups. Certain segments, most notably plastics and synthetic fibers, have expanded astronomically while others such as dyes and dye intermediates manufacturers have grown much less.

Let us look at the prospects for some of the various segments of the industry and then we can put together a picture of what is likely to happen to the industry as a whole.

The products whose sales are affected to the greatest extent by the trends of the general economy are what are some times called "heavy chemicals" such as chlorine, caustic soda, soda ash, mineral acids, and the various salts of these acids. They are consumed in practically every industry. A major portion of their output goes to the primary metal, petroleum, glass, textile, and paper industries which are generally among those most immediately affected by any downturn in the general economy. The 1959 steel strike adversely affected sales of acids during that year while the spurt in steel production early in 1960 distorted last year's picture upward a little. Consumption of these inorganic chemicals within the chemical industry itself was well maintained, while exports of the chlor-alkalies were slightly off due to new foreign production. In total, despite the downturn in the economy in the last half of the year, the sales of this group of chemicals in 1960 were above the 1959 level. In 1961, with the economy improving at the rate it now appears to be, there should be a 2-3% increase in the sales of these chemicals.

Synthetic Fibers and Resins

Synthetic fibers and plastics continued their above-average growth in 1960. The so-called man-made fibers, which excludes rayon type fibers, continued their strong growth in 1960 but at a slower rate. Nylon continued its growth and the polyester and acrylic fibers also enjoyed higher sales. Further modest gains in these products seem attainable in 1961.

Sales of some of the older plastic materials declined and will probably continue to do so. However, plastics such as polypropylene and the polyacetal materials which are just now becoming available in commercial quantities, will more than compensate for this. Polycarbonate products will also become commercially available this year, but probably will not add to this segment's growth importantly until 1962. In 1960, linear (high density) polyethylene finally came into its own with the large scale use of blow molded bottles for packaging liquid detergents. It should continue its rapid growth in 1961 as blow molded bottles become accepted for use in packaging other products.

In summary, sales of synthetic resins should increase about 4 to 5% in 1961, due primarily to increased acceptance of newer plastic materials as replacements for metals, paper, and glass in many applications, and the greater consumption of synthetic fibers.

The output of the major industrial **organic** chemicals increased about 10% despite the reduced supplies of the chemicals derived from the coking of coal, which are the primary raw materials for many of these products. Part of the answer to the apparent paradox here lies in the fact that almost all of the so-called "coal tar chemicals" are now produced from **petroleum** raw materials as well as from coal. More adequate supplies of raw materials are expected to be available in 1961 as a result of increased steel operations and new petroleum-based plants. As a result, the sales of organic chemicals which are used to make dyes, pharmaceuticals, synthetic resins, agricultural chemicals, and numerous other products, should top the 1960 record by perhaps as much as 10%.

Pharmaceuticals Maintain Sales

In recent years, the sales of pharmaceuticals have increased at an average rate of about 10%. The downturn of the economy does not appear to have affected this trend and, with the continued research efforts of the pharmaceutical companies turning out new and better products all the time, there is little doubt that this segment's growth in 1961 will be maintained.

Sales of agricultural chemicals, including fertilizers and pesticides increased only slightly over the record of 1959. The weather pattern has a significant effect on the use of these materials, especially pesticides, and this was unfavorable in certain regions in 1960. Assuming normal weather conditions, the farmers' continued recognition of the benefits of agricultural chemicals should result in a 1-2% increase in the sales of this group of products.

Detergents and cosmetics are not often thought of as chemicals, but they are an important part of the output of the chemical industry accounting for almost $3 billion in sales. The growth of this segment of the industry has been considerably above the average over the last decade. This has largely been due to the increased emphasis which has been placed upon new products which make it easier for the housewife to clean her home and keep herself looking attractive. In 1961, the sales of this segment of the chemical industry will probably be about 2-3% above 1960.

Synthetic Rubber

Synthetic rubbers are another group of products which many people do not ordinarily think of as coming from the chemical industry, but they are produced by chemical reactions and fall within our definition. The general use of synthetic rubber as a replacement for natural crude, which began during World War 11, has grown rapidly to the point where the various synthetic types constituted 69% of the new rubber used in 1960. This percentage will undoubtedly continue to increase, especially as the newer, so-called "natural" synthetics, polybutadiene, and polyisoprene, become available in commercial quantities. In 1960 total domestic rubber consumption was below, but synthetic rubber use was slightly above, that for 1959. In 1961 consumption of synthetic rubber is expected to be somewhat greater still. Exports of synthetic rubber, which reached about 345,000 tons or almost 25% of production in 1960, may decline in the face of increasing capacity abroad. On balance, 1961 sales should approximate those of last year.

One of the most dynamic segments of the chemical industry in the last few years has been the production of industrial gases. Spurred by the rocket program and the adoption of large scale use

of oxygen in blast furnaces by the steel industry, the consumption of these gases as a group has increased at an average rate of about 10% per year since 1947. In 1961 the value of sales will probably not increase as much as in 1960 due to price reductions and the installation of captive oxygen plants, but consumption should once again reach a new high.

From the foregoing, one might gather that the chemical industry is the near-perfect industry to be in and all one has to do is try to pick the segment which is growing at the fastest rate. However, while the sales picture is bright, and per capita consumption of the industry's products is increasing, we do have some problems of sobering proportions. The first and most important, in my judgment, concerns profit.

Narrowing Profits

In common with many other industries, profits of chemical companies have not increased at a percentage rate approaching that of their sales. In 1960, most chemical producers sold more tonnage, but realized less net income than in the previous year. A number of factors account for this well-known profit squeeze.

Many people have noted the small and still declining proportion of labor costs to total costs of chemical manufacture. This is quite true—so far as direct costs are concerned. But overhead labor costs—research and development, sales and technical sales, supervision and maintenance — are mounting rapidly. And when wages rise, salaries move up too. Besides this, what is often overlooked is the fact that the cost of new plant and equipment, a major product cost factor via depreciation charges, is greatly affected by the cost of labor in the construction and the material and equipment industries. This is especially important in view of the rapid obsolescence of products and processes with today's technological advances and the often inadequate depreciation allowances set by the taxing authorities. Therefore, rising wages have increased costs, while competition in the market place has not allowed compensatory price adjustments.

Added Problem of Foreign Imports

Competition from foreign products has increased markedly over the last five years and has become critical with regard to certain items. Perhaps a more important aspect of overseas competition comes from imported finished products which have taken away part of the market of the chemical industry's customers. This is particularly notable in the case of the textile industry, a heavy consumer of chemicals. The result has been the under utilization of productive facilities which necessarily leads to higher unit costs.

The great strides being made in advancing chemical technology create problems for some producers, while solving those of others. Existing products and/or processes are constantly becoming obsolete or obsolescent. With each company constantly looking for the best avenues for expansion, it is not surprising that several companies get the same new idea at approximately the same time. The result often is an acute overcapacity for many months or years. It has been estimated that in 1960, about 70% of the industry's actual capacity was used.

Government regulations, over and above the tax treatment of depreciation, present further problems to our industry.

Burdensome Food-Drug Rules

Among the most burdensome at the moment are the new requirements with regard to Food and Drug Administration approval of new pharmaceutical and agricultural chemicals. None of us within the industry wish to shirk our responsibility to the public or to oppose the general aims of these laws. In fact, all responsible companies in the industry have always checked the toxicological properties of new products with great care so as to protect the consumer's safety. What presents the industry with serious difficulties is the extent and arbitrary nature of some of the laws' provisions, and the great cost of testing, retesting, and submitting and resubmitting data on so many products in a relatively short period of time.

Another area of government regulation which has become quite important is pollution control. Many plants which were located in areas where their effluents were thought to pose no danger now find that communities have grown up around them, the character of their effluents may have changed, or the government regulatory agencies are much more strict about these liquid and gaseous waste discharges. The companies of our industry have generally cooperated fully — indeed, they have usually taken the initiative in anticipating the problem—but the cost of attacking this problem has been and will continue to be great.

The Leverage of Research

Despite these problems, the important thing to me is that new opportunities and challenges for growth lie ahead. I believe this still holds true for the chemical industry to an important and unusual degree—primarily because of our emphasis on research.

It has often been said that research is the life blood of the chemical industry. One major chemical company recently reported that in 1960 over 50% of its income was derived from products that they did not even make 15 years ago.

Last year the chemical industry spent three-quarters of a billion dollars on research—the highest privately financed research outlay of any single industry in the nation. In addition, outlays for construction of new laboratory facilities by U. S. chemical producers reached an estimated peak of nearly $200 million.

More important than these expenditures, however, is the fact that they result in the introduction of almost 500 new chemical products a year.

I don't know where the end is, if indeed there is one. The industry today is producing commercially more than 10,000 different products.

More than 100,000 new compounds in the organic chemical field alone are known and have been produced in the laboratory.

Herein lies the greatest prospect for growth for the chemical industry as a whole—using its ever widening technology to meet the demands of our rapidly growing population for more and better food, clothing, shelter, and health.

*An address by Mr. Stauffer before the National Industrial Conference Board's President's Panel on the short-term outlook, New York, N. Y.

John Schuss Co. In New York

Jack E. Schuss has announced the formation of John Schuss & Co. with offices at 67 Broad St., New York City, to conduct a corporate financing and investment securities business. Mr. Schuss was formerly a partner in Jaffee & Co.

Also associated with the new firm are Harris D. LeVine, scientific consultant; Albert T. Dykes, investment research; Myron J. Bader, syndicate department; and Leo Farlani, Harry Saranga, and James Webb, registered representatives.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

Seasonal influences are causing some slackening in steel output which is likely to be paralleled in other industries during the summer months, observes the Federal Reserve Bank of New York in its July *monthly Review*. But these influences need not interfere with further over-all expansion so long as prospects for growth in final demand remain favorable. It is virtually certain that government spending will continue to exert an important upward thrust. There has been further confirmation of an imminent, but moderate expansion in capital spending, and consumer outlays appear to be making some new gains, although no real buoyancy has yet appeared.

As the downward push from inventory liquidation abated in the second quarter, industrial production expanded more strongly than total business sales after having declined more rapidly during most of the recession. While industrial production rose approximately 6% between February, the low point, and May, manufacturing employment registered an increase of only 2%. This reflects the continued lengthening of the average work week and the expansion in productivity which usually occur in the early phase of a cyclical recovery. The unemployment rate in June changed only imperceptibly from 6.9 to 6.8%, staying in the range within which it has moved since the beginning of the year.

Reviewing foreign exchange markets in the first half of 1961, the Reserve Bank states that speculative considerations appear to have been of major importance in generating heavy short-term international capital movements during this period. "Under these conditions, prompt, decisive, and cooperative action has become necessary to sustain stable and orderly exchange markets."

International efforts to deal effectively with speculative short-term capital flows are of interest to the United States, which has undertaken certain exchange stabilization operations to protect the United States dollar. Testifying before a subcommittee of the Joint Economic Committee of Congress, Secretary of the Treasury Dillon supported central bank cooperation as a device that could be of substantial assistance in dealing with such flows. He also suggested that the International Monetary Fund might serve, where necessary, as a source of longer term financing of credits that might arise in central bank operations, and lent his support toward an appropriate expansion of the Fund's resources.

The pressure on the dollar was reduced during the first half of 1961, the New York Bank noted, as a result of the expressed determination of the United States authorities to defend the current gold value of the dollar, the cooperative international efforts to mitigate disruptive short-term capital flows, and the relatively strong underlying balance of the United States.

Interest incentives to move funds from the United States on a covered basis were reduced or eliminated as short-term interest rates abroad declined relative to rates in the United States and, in some instances, as forward exchange rates moved in our favor. For example, in the case of three months' Treasury bills, the covered interest arbitrage differential, which in mid-1960 had approached 1.5% per annum in favor of London, gave way to a substantial differential in favor of New York by mid-1961. This development reflected both the narrowing of interest rate disparities and the recent widening of forward sterling discounts.

Bank Clearings Increased 10% Above Same Week Last Year

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, July 8, clearings for all cities of the United States for which it is possible to obtain weekly clearings was 10% above those of the corresponding week last year. Our preliminary totals stand at $25,852,433,033 against $23,499,277,839 for the same week in 1960. Our comparative summary for the leading money centers follows:

Week End. July 8—	1961 (000s omitted)	1960 (000s omitted)	%
New York	$14,257,381	$12,611,281	+13.1
Chicago	1,259,672	1,137,500	+10.7
Philadelphia	1,035,000	938,000	+10.3
Boston	729,889	673,657	+ 8.3

"Iron Age" Reports Surge of Early Orders for August

A surge of early orders for August delivery has put a solid base under the steel recovery late this summer, *The Iron Age* reports.

August is now running 20 to 25% ahead of May and June for similar advance dates. It is still uncertain how much of this bulge is due to greater needs and how much is due just to earlier order placement.

At the very least, it is the first real show of user confidence in over a year. At best, it could be an indication of a sizable gain in

Continued on page 30

THE MARKET . . . AND YOU

BY WALLACE STREETE

Midst the stepped-up Kennedy-Khrushchev cross-firing, the stock market has chosen to duck.

Every time it lifts its head and readies for an assault of its own, some powerful opposition builds up—and not always the financial type either. For the past few weeks the market has appeared ready to stage a summer rally of sorts. Then last weekend came Premier Khrushchev's announced arms build-up and a dazzling Moscow air show.

President Kennedy appeared ready "to call out the reserves" and put this country on a war footing. Meanwhile Congress was insisting on more and better superbombers, not just a missile program, to defend this country.

Investor Uncertainty

The investor was hit by the obvious jockeying for position as the arms race picked up added speed.

His uncertainty spread throughout the marketplace and prevented the list from definitely penetrating the 700 barrier on the Dow-Jones Industrial Average. Just a week ago the market was definitely leaning that way with the technical situation improving day by day.

In all of this there was very little, if any, panic selling. Volume was running along at about 3,000,000 shares a day, a sharp drop from this year's five and six million share sessions but still a good enough base from which to stage a rally.

As the market gyrated in its trendless way some analysts appeared puzzled over why it was hesitating. Steel operations drooped as expected, what with those big buyers, the automakers, already starting to shut down to change over their production lines for the new model cars. Surprisingly to some, the steel stocks held up fairly well with Lukens spurting on an improved second quarter profit report. As expected, its first half results were lower than a year ago.

Queries Over "Bessie"

Of course, the big question in steeldom and along Wall Street concerned the outlook for the Bethlehem Steel dividend. There is little chance the company will earn enough to cover tne usual payout, but a few optimists along the Street still insists it'll be maintained.

"Bessie" also figured in another important market story. It became the latest to be involved in a secondary distribution of shares. Massachusetts Investors Trust, the country's oldest mutual fund, decided it wanted to get rid of its 727,200-share holding in the troubled company. Dividend uncertainties were not the only factor involved, it was learned. M.I.T. spokesmen pointed out that at the end of the first quarter the giant fund (the nation's second largest) had 9% of the market value of its portfolio tied up in the extremely cyclical steel industry.

To the Street the interesting thing will be where M.I.T. now invests the $29,000,000 it got for the biggest block it ever handled. This sum, by the way, includes a profit on the transaction of about $18,000,000.

Secondaries of all sizes, along with other regular transactions of large blocks have been plaguing the market men for the past month. Both act as large drains on available funds for investment since they sop up large amounts of ready money that might instead be spread throughout a variety of other listed issues.

Accelerated Trust-Busting

Bigness came in all shapes too. The trust busters under Attorney General Robert Kennedy's regime have taken a new lease on life. To Wall Street observers it appears as if these energetic young lawyers are going through the manuals industry by industry; and wherever the pencil lands, that's where the investigation starts.

Individual companies are often hardest hit. Suburban Gas was one of the latest. This growth company which is often confused with a utility or with Suburban Propane Gas, the New Jersey gas distributor, actually is a marketer of bottled LP heating and cooking gas in the Far West.

The Justice Department has decided it doesn't like its record of acquiring 59 similar companies since 1948. The probers say they want more competition in the States of Washington, Arizona and Oregon

The Street continues to study this and other special situations. Far away on the other side of the country Brooklyn Union Gas was being tagged by some analysts as a neglected growth utility. Earnings are now expected to edge up to about $1.80 a share this year from last year's $1.75, but the future is tied to New York City's last underdeveloped area: Staten Island. Progress on the new Narrows Bridge connecting that countrified county with over-populated Brooklyn is expected to boost home building and create more demand for gas. Brooklyn Union serves both counties and part of predominantly residential Queens.

Well-Behaved Utilities

Utilities were generally behaving very well as the investor pursued a "safer" course in the face of technical uncertainties and global tensions. Tobaccos, retailing stocks and some of the better-known drugs also came through nicely. Reynolds Tobacco was in demand thanks to its frequent mentions as a split candidate. American Optical was cited for the same reason among the more glamorous stocks.

Rough Going for the Glamours

This field of glamour, nevertheless, had rough going. Electronics leaders were under pressure and much-touted Avnet was hit, apparently for chart reasons. The company remained optimistic about prospects for its highly-recommended Shaw moulding process. Several auto companies are still interested in becoming licensees for this British system, the company says, but the Street has been hearing and reading so much about Shaw that it's looking for some concrete indication of how much it'll add to Avnet earnings.

Polaroid was fighting its way back from an 18½-point decline a week ago. It was learned that spring sales have improved but profits still are under pressure. Second-quarter earnings are expected to be below the year-ago figure. The important new products that everyone's been hearing about—a 10-second camera selling for less than $100, a fast x-ray film, a professional photographer's film packet for 4x5 cameras—will not start contributing to earnings until the second half.

Aircrafts War-Stimulated

With both Khrushchev and Kennedy stepping up their military maneuverings, some aircraft stocks have been coming through for the investor. Boeing, Lockheed and North American Aviation were most frequently mentioned by the industry observers as probable beneficiaries of this increased emphasis on manned aircraft. But this week it was General Dynamics' turn for prominence. Its atomic submarine programs and its big planes for the Air Force helped the depressed stock overcome the adverse effects of the recent dividend omission.

Things remain too uncertain for either the investor or his advisers to take a definite stand. Still the professionals are convinced that a summer rally is in the making. "Of course, it may come around November," commented one cynical researcher.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

M. Katz Opens

Marvin Katz is engaging in a securities business from offices at 1056 Sherman Avenue, Bronx, New York, under the firm name of M. Katz & Co. He was formerly with Weinberg, Ost & Co.

Named Director

Arthur L. Carter, a general partner in the investment firm of Carter, Berlind, Potoma & Weill, members of the New York Stock Exchange, has been elected to the board of directors of Curley Company, Incorporated, Camden, N. J., manufacturers of household chemical specialties, cleaning compounds, shampoo and liquid detergents.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Chase Manhattan Bank, New York and the **Hempstead Bank, Hempstead, N. Y.**, have set Aug. 22 for special stockholder meetings to act on the proposed merger of the two institutions.

The plan of merger was given on page 2853 of the June 29 issue of the Chronicle.

* * *

Adam L. Gowans has been promoted to Assistant Vice-President of the **Chase Manhattan Bank, New York**, David Rockefeller, President, has announced. Mr. Gowans has been assigned to the London branches since he joined the Bank in 1938. He was named Assistant Manager in 1948 and Manager in 1957.

George A. S. Westbury has been named Manager, branches in London, and Arthur T. Boanas, Assistant Manager.

The Bank also announced the appointment of Edgar W. Davy, John E. Foster, Otto Schoeppler, Bjarne Wahl, and Albert E. Zammit as Assistant Treasurers in the international department.

James R. Sloane has joined the Bank, as an Assistant Vice-President and is assigned to the Rockefeller Center branch.

* * *

THE CHASE MANHATTAN BANK, N. Y.

	June 30, 1961	Apr. 12, 1961
	$	$
Total resources	8,867,580,186	8,176,857,336
Deposits	7,735,265,443	6,509,503,745
Cash and due from banks	1,975,837,187	1,805,410,431
U. S. Govt. security holdgs.	1,614,883,362	1,441,646,328
Loans & discts.	4,317,743,222	4,011,268,699
Undivid. profits	131,771,241	116,437,212

* * *

William A. Rough and Richard W. Freund have been appointed Vice-Presidents by **First National City Bank of New York.** Both were formerly Assistant Vice-Presidents.

Mr. Rough supervises the Bank's Bookkeeping and Check Processing Department. Mr. Freund, who formerly was with Automation Planning, will assume supervision of the Research and Development Department.

* * *

THE FIRST NATIONAL CITY BANK OF NEW YORK

	June 30, '61	Mar. 31, '61
	$	$
Total resources	8,630,267,781	7,692,957,367
Deposits	7,455,892,760	6,874,696,515
Cash and due from banks	1,753,750,439	1,594,799,163
U. S. Govt. security holdgs.	1,849,586,119	1,246,502,568
Loans & discts.	4,066,556,749	4,118,762,116
Undivid. profits	124,227,271	119,315,261

* * *

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

	June 30, '61	Mar. 31, '61
	$	$
Total resources	4,518,891,095	3,990,687,332
Deposits	3,649,707,361	3,125,674,195
Cash and due from banks	871,250,618	671,597,774
U. S. Govt. security holdgs.	756,855,351	432,064,873
Loans & discts.	2,353,843,924	2,285,574,071
Undivid. profits	136,022,991	131,072,293

* * *

BANKERS TRUST COMPANY, NEW YORK

	June 30, '61	Mar. 31, '61
	$	$
Total resources	3,406,255,164	3,063,836,904
Deposits	2,975,422,241	2,624,906,221
Cash and due from banks	790,700,089	630,925,290
U. S. Govt. security holdgs.	671,801,000	526,639,476
Loans & discts.	1,683,820,128	1,598,553,915
Undivid. profits	57,015,415	53,050,777

* * *

IRVING TRUST COMPANY, NEW YORK

	June 30, '61	Mar. 31, '61
	$	$
Total resources	2,052,773,714	1,790,719,256
Deposits	1,807,170,449	1,552,205,627
Cash and due from banks	492,650,531	294,800,912
U. S. Govt. security holdgs.	403,523,999	359,507,025
Loans & discts.	980,714,837	963,934,177
Undivid. profits	33,929,825	32,544,147

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Appointments of William Hauptmann and Gerard F. Smith as Assistant Vice-Presidents of **Manufacturers Trust Company, New York** were announced by Horace C. Flanigan, Chairman of the Board.

* * *

Brown Brothers Harriman & Co., New York has announced the appointment of Walter R. Good and Walter S. McConnell as Assistant Managers in the New York Office.

Mr. McConnell and Mr. Good will continue their responsibilities as supervisors of the Investment Research Department.

Mr. Good has been with the firm since March, 1952.

Mr. McConnell has been with the firm since July, 1955.

* * *

BROWN BROTHERS HARRIMAN & CO. NEW YORK

	June 30, '61	Dec. 31, '60
	$	$
Total resources	277,267,172	279,413,152
Deposits	234,080,151	238,466,466
Cash and due from banks	64,106,680	70,528,507
U. S. Government security holdings	50,506,178	48,761,136
Loans & discounts	85,875,211	87,750,419
Capital & surplus	18,925,284	18,885,284

* * *

THE GRACE NATIONAL BANK OF N. Y.

	June 30,'61	Mar. 31,'61
	$	$
Total resources	242,222,522	219,828,933
Deposits	212,281,423	196,659,987
Cash and due from banks	52,876,393	35,996,126
U. S. Government security holdings	44,874,971	43,770,326
Loans & discounts	116,920,309	117,591,004
Undivided profits	2,634,630	2,135,341

* * *

COMMERCIAL BANK OF NORTH AMERICA, NEW YORK

	June 30,'61	Mar. 31,'61
	$	$
Total resources	208,821,669	193,717,045
Deposits	184,853,212	158,926,555
Cash and due from banks	29,886,153	28,139,599
U. S. Government security holdings	49,536,731	44,949,352
Loans & discounts	111,998,770	104,858,043
Undivided profits	3,670,001	3,824,969

* * *

FEDERATION BANK & TRUST COMPANY NEW YORK

	June 30, '61	Dec. 31, '60
	$	$
Total resources	208,528,400	221,188,624
Deposits	186,779,700	200,066,645
Cash and due from banks	44,214,200	49,956,656
U. S. Government security holdings	26,912,000	37,110,053
Loans & discounts	101,617,100	99,408,412
Undivided profits	1,897,200	1,561,929

* * *

THE STERLING NATIONAL BANK AND TRUST COMPANY, NEW YORK

	June 30,'61	Mar. 31,'61
	$	$
Total resources	151,292,630	158,035,384
Deposits	134,329,795	141,556,653
Cash and due from banks	26,245,271	33,737,659
U. S. Government security holdings	31,737,659	39,951,475
Loans & discounts	91,204,701	91,351,667
Undivided profits	2,101,842	2,070,590

* * *

J. HENRY SCHRODER BANKING CORP. NEW YORK

	June 30, '61	Dec. 31, '60
	$	$
Total resources	143,015,599	144,804,050
Deposits	85,719,727	86,138,532
Cash and due from banks	20,691,875	19,063,996
U. S. Government security holdings	32,245,766	44,773,294
Loans & discounts	34,049,611	29,856,066
Surplus and undivided profits	6,903,121	6,812,828

SCHRODER TRUST CO., NEW YORK

	June 30, '61	Dec. 31, '60
Total resources	$76,391,921	$76,674,925
Deposits	66,510,365	67,131,104
Cash and due from banks	14,657,551	14,816,742
U. S. Government security holdings	14,899,091	30,684,277
Loans & discounts	39,084,536	26,404,798
Surplus and undivided profits	3,478,080	3,396,664

* * *

UNDERWRITERS TRUST CO., N. Y.

	June 30,'61	Mar. 31,'61
Total resources	$59,053,293	$53,700,804
Deposits	53,073,937	48,936,642
Cash and due from banks	9,154,706	7,708,014
U. S. Government security holdings	20,471,084	20,989,352
Loans & discounts	25,696,080	21,078,818
Undivided profits	1,004,380	970,021

* * *

KINGS COUNTY TRUST COMPANY BROOKLYN, NEW YORK

	June 30, '61	Dec. 31, '60
Total resources	$80,786,665	$84,652,651
Deposits	69,346,801	73,542,443
Cash and due from banks	8,747,357	11,629,489
U. S. Government security holdings	16,350,981	17,902,204
Loans & discounts	24,714,351	26,865,960
Undivided profits	1,190,659	1,000,000

* * *

THE FRANKLIN NATIONAL BANK OF LONG ISLAND, MINEOLA, N. Y.

	June 30,'61	Mar. 31,'61
	$	$
Total resources	790,569,217	717,803,959
Deposits	710,959,712	618,808,633
Cash and due from banks	79,686,967	54,029,439
U. S. Government security holdings	138,405,672	103,430,355
Loans & discounts	468,463,966	461,473,850
Undivided profits	9,845,770	9,197,346

* * *

THE MEADOW BROOK NATIONAL BANK OF SPRINGFIELD GARDENS, N. Y.

	June 30, '61	Dec. 31, '60
	$	$
Total resources	635,031,203	604,030,049
Deposits	559,509,619	541,191,540
Cash and due from banks	107,247,394	93,051,216
U. S. Government security holdings	118,558,097	106,849,672
Loans & discounts	360,704,798	360,038,295
Undivided profits	7,651,039	7,395,434

* * *

SECURITY NATIONAL BANK, LONG ISLAND, NEW YORK

	June 30,'61	Mar. 31,'61
	$	$
Total resources	208,821,669	214,226,498
Deposits	184,853,212	193,838,786
Cash and due from banks	29,886,155	24,711,647
U. S. Government security holdings	49,536,731	42,658,450
Loans & discounts	111,998,770	79,665,048
Undivided profits	788,731	1,186,600

* * *

NATIONAL BANK OF WESTCHESTER WHITE PLAINS, NEW YORK

	June 30,'61	Mar. 31,'61
	$	$
Total resources	250,726,156	238,038,950
Deposits	223,037,999	213,750,067
Cash and due from banks	30,476,608	22,749,238
U. S. Government security holdings	73,354,662	67,819,322
Loans & discounts	73,243,438	73,206,878
Undivided profits	2,780,139	2,407,727

RHODE ISLAND HOSPITAL TRUST CO. PROVIDENCE, R. I.

	June 30,'61	Dec. 31,'60
	$	$
Total resources	331,461,337	342,511,074
Deposits	287,256,544	298,466,990
Cash and due from banks	37,993,393	60,241,074
U. S. Government security holdings	76,926,204	76,333,300
Loans & discounts	195,262,892	188,264,379
Undivided profits	4,467,072	4,178,236

* * *

THE CONNECTICUT BANK AND TRUST COMPANY, HARTFORD, CONN.

	June 30,'61	Apr. 12,'61
	$	$
Total resources	448,505,619	428,416,119
Deposits	387,614,674	372,698,840
Cash and due from banks	97,982,999	77,936,685
U. S. Government security holdings	90,033,914	89,059,013
Loans & discounts	208,666,181	201,926 328
Undivided profits	9,259,440	8,908,235

* * *

Arthur C. Husbands, Vice-President, trust officer and a Director of the **Elizabethport Banking Company, Elizabeth, N. J.** was elected President. He has been with the Bank since 1908. Mr. Husbands, succeeds Clarence R. Sanford, who died June 19.

Directors of the **Hackensack Trust Co., Hackensack, N. J.** and the **Bank of Saddle Brook and Lodi** have approved a proposed merger of the latter institution into Hackensack Trust Co.

The proposed merger is subject to approval by state and Federal supervisory authorities and by stockholders of the two Banks.

The capital stock and surplus will be $3,000,000, and total resources $63,000,000 of the consolidated banks.

* * *

The common capital stock of the **Union National Bank in Newark, Newark, N. J.**, was increased from $187,500 to $337,500 by a stock dividend effective June 26. (Number of shares outstanding 11,250 shares, par value $30).

* * *

SOCIETY NATIONAL BANK OF CLEVELAND, OHIO

	June 30,'61	Mar. 31,'61
	$	$
Total resources	443,569,059	430,517,813
Deposits	405,830,302	390,300,601
Cash and due from banks	47,959,181	42,760,007
U. S. Government security holdings	110,745,260	111,792,260
Loans & discounts	227,354,601	220,744,497
Undivided profits	1,646,468	1,314,822

* * *

P. A. Mack, Jr., has been appointed agricultural specialist in the financial and economic research department of **Harris Trust and Savings Bank, Chicago, Ill.**, and will assist the correspondent bank department and loan divisions of the Bank in their agricultural relationships.

* * *

A charter was issued on June 29 by the Office of the Comptroller of the Currency to the **National Bank of North Evanston, Evanston, Cook County, Ill.** The President is Warren H. Ward, Sr. and the Cashier is John R. Hanson. The Bank has a capital of $300,000 and a surplus of $300,000.

* * *

The common capital stock of **The First National Bank of Sault Ste, Marie, Michigan** was increased from $300,000 to $400,000 by a stock dividend effective June 30. (Number of shares outstanding 40,000 shares, par value $10).

* * *

The Empire National Bank, Empire, Mich. has changed its title to **The Empire National Bank of Traverse City, Traverse City, Grand Traverse County, Mich.** Effective June 28.

* * *

THE NATIONAL BANK OF DETROIT MICHIGAN

	June 30, 1961	Mar. 31, 1961
	$	$
Total resources	2,039,224,289	1,943,011,801
Deposits	1,841,455,671	1,707,144,410
Cash and due from banks	409,137,948	345,979,959
U. S. Govt. security holdgs.	577,355,327	527,821,248
Loans & discts.	770,482,088	784,237,822
Undivid. profits	24,667,863	22,765,483

* * *

C. Ernest Keys, Vice-President of **Central Trust Capital Bank, Harrisburg, Pa.** and associated

with this bank and its predecessor banks in Harrisburg since June 6, 1907, retired June 30, it was announced by Charles H. Graff, President and Chairman of the Bank's Board of Directors.

He has served in virtually every capacity in the banking field, from bookkeeper to teller, and after **Union Trust** and the **Commonwealth Trust Company** reorganized in 1935 to form the **Capital Bank and Trust Company**, was appointed Assistant Treasurer, and was later elected Vice-President and Secretary. He has been a Vice-President of Central Trust Capital Bank since the merger of Central Trust Company and Capital Bank and Trust Company in 1958.

* * *

Permission for the **Bank of Powhatan, Inc., Powhatan, Va.,** to merge with **Cumberland County Bank, Cumberland, Va.,** under charter of the former and title of Bank of Powhatan, has been approved by the Board of Governors of the Federal Reserve System.

* * *

By a stock dividend the common capital stock of **The First National Bank of Celina, Celina, Ohio** was increased from $400,000 to $500,000 effective June 30. (Number of shares outstanding 25,000 shares, par value $20).

* * *

The Marquette National Bank of Minneapolis, Minneapolis, Minn. has increased its common capital stock from $1,250,000 to $1,500,000 by a stock dividend and from $1,500,000 to $1,750,000 by the sale of new stock effective June 26. (Number of shares outstanding 35,000 shares, par value $50).

* * *

Downing B. Jenks, was elected a Director of the **First National Bank in St. Louis, Missouri.**

* * *

Warren H. Eierman has been elected Senior Vice-President of **The First National Bank of Miami, Fla.** in charge of business development. He formerly was a Vice-President of **The Hanover Bank, New York.**

* * *

The Board of Directors of **The First National Bank of Fort Worth, Texas** announces the election of Dr. John E. Kircher, W. D. Noel, E. G. Rodman and C. Dickie Williamson as Advisory Directors.

* * *

Theodore A. Griffinger, Fred S. Orth, Charles E. Cooper, R. E. Titus and William W. Doidge were named Vice-Presidents of the **Bank of America, San Francisco, Calif.**

* * *

The Royal Bank of Canada, Montreal, Canada has appointed Mr. K. Olson Manager of its branch in Buenos Aires.

Mr. Olson has had wide experience with the bank in various parts of Canada and at the Head Office in Montreal. He was appointed to the Havana Branch in 1952 and served as Assistant Supervisor of Cuban branches from 1956 until the Bank's withdrawal from Cuba early this year.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

American Natural Gas Company

American Natural Gas is an important holding company system serving gas to large areas in Michigan and Wisconsin. Subsidiaries include Michigan Consolidated Gas, Milwaukee Gas Light, Michigan-Wisconsin Pipe Line, American Louisiana Pipe Line, American Natural Gas Production Company and Milwaukee-Solvay Coke (producing coke and by-products). The City of Detroit and 139 other Michigan communities with a population of 3,290,000 are served; and Milwaukee and 40 other Wisconsin municipalities with a population of 1,070,000 receive natural gas.

Sales of gas at wholesale are also made to non-affiliated customers for resale in 200 communities in Michigan, Wisconsin, Illinois, Iowa and Missouri. Service is being extended to many other communities in Wisconsin and in the Upper Michigan Peninsula.

The two pipelines have a combined capacity of 400 billion cf, bringing gas from the Texas Panhandle, the Gulf Coast fields, and Canada. The Production Company has engaged in exploration and development work on a limited scale, and no very important system production has yet been established.

In 1960 some 43,000 retail space-heating customers were added, bringing the total to 795,000 (compared with only 119,000 in 1949). Some 75% of the residential customers of Michigan Consolidated and 50% of the residential customers of Milwaukee Gas Light now use gas for househeating and further gains in the two companies' heating loads are foreseen. Industrial sales are also expanding—Great Lakes Steel Corp. recently agreed to take up to 25 billion cf of gas annually for 10 years. Other big manufacturing companies are taking larger volumes of gas and the system expects to double its industrial gas sales over the next few years.

To take care of this continued growth it has been necessary to arrange for new supplies of gas. Last year Michigan-Wisconsin Pipeline obtained 158 million cf daily from western Canada fields through Mid-western Gas Transmission, and the company's southern transmission line was looped to permit taking an additional 100 million cf a day from the Laverne field in Oklahoma. The subsidiary also expects to obtain 75 million cf daily from Northern Natural Gas in three or four months, assuming approval by the FPC. Michigan-Wisconsin also has contracted for 250 billion cf of gas (under lease) in the Woodward area of Oklahoma.

The other pipeline subsidiary, American Louisiana, will be receiving 50 million cf daily from the Krotz Springs Field in Louisiana. Connections are being made with the 400 billion cubic feet of reserves in this field contracted for several years ago.

Underground storage fields in Michigan have a capacity of 118 billion cf and depleted gas fields with a capacity of 45 billion cf are available. Storage rights in oil producing reservoirs have also been acquired for future storage development.

System capitalization is approximately as follows:

	Millions	Percent
Long-term Debt	$419	57
Bank Loans (Short-term)	53	7
Common Stock Equity	263	*36
Total	$735	100

*39% if bank loans are excluded.

The common equity ratio was below 30% in 1950 but has been increased to the current level. System construction expenditures for 1961 are estimated at $68,000,000 compared with $130,000,000 in 1960.

The company's earnings record is indicated in the table below. In the 12 months ended March 31, 1961, the company earned $2.14 against $1.83 in the previous 12 months (both figures adjusted for the recent split of 2½-shares-for-1). However, of the recent earnings some $12.5 million or 41 cents a share represented 12 months revenues derived from rates placed in effect by system pipeline companies over the past three years, which is subject to refund in whole or part depending on decisions by regulatory commissions. However, it is understood that purchases of natural gas have also been made at rates subject to partial refund, although these figures are not available.

The credit for interest charged to construction in the 12 months ended March was equivalent to 14 cents a share compared with about 7 cents in the previous 12 months. The company has paid dividends since 1904, the present indicated rate being $1.20. At the recent price around 43 the yield would be 2.8%. With a payout of only 56% an increase would seem likely except for the fact that payout has remained on the low side in recent years. The stock is selling at about 20 times earnings compared with a group average around 18.

Years	Revs. (000)	% Ernd. on Net Propty.	Ernd. Per Sh.	Divds. Paid	Approx. Price Range
1960	$240	6.0	$1.97	$1.04	33-22
1959	227	6.4	1.82	.99	27-22
1958	205	6.5	1.61	.94	25-18
1957	192	5.9	1.42	.94	23-16
1956	158	5.3	1.58	.84	26-20
1955	127	5.4	1.21	.76	22-17
1954	122	6.2	1.28	.73	19-15
1953	114	5.9	1.14	.69	15-11
1952	103	5.2	.85	.66	13-11
1951	98	5.5	.94	.60	13-10
1950	81	5.6	.89	.44	12- 9

* * *

Correction on Trans-Canada Pipe Lines, Limited

In the description of Trans-Canada in this column in the May 25 issue of the *Chronicle*, the estimate of 80 cents a share for the calendar year 1961 was mistakenly attributed to President Kerr. This estimate has appeared in Standard & Poor's reports, and an estimate of 75 cents per share had appeared earlier in a publication of Greenshields & Co. of Montreal.

Westbury Fashions Stock Sale

A public offering of 120,000 shares of Westbury Fashions, Inc. common stock is being made by an underwriting group headed by McDonnell & Co. Inc., New York City. The stock is priced at $16 per share. Of the offering, 68,000 shares are being sold by the company and 52,000 shares are being sold for two selling stockholders.

The proceeds of the 68,000 shares will be used by the company to retire current bank loans and to finance additional plant space, new equipment and other expansion.

The two selling stockholders, officers and founders of the company, will each continue to own more than 24% of the common stock after the sale of their 52,000 shares.

The company's business is the design, manufacture and sale of a line of casual dresses for women and girls of all ages. The company plans to commence production of knit dresses this year.

Net sales for the three months ended Mar. 31, 1961 were $1,339,347 compared with $926,948 in the corresponding period last year. Net income was $89,380 compared with $54,418 in the 1960 period. In 1960 sales were $4,067,840 and net income $197,257. The company operates three plants, two in Hagerstown, Md., and the other in Ranson, W. Va.

Giving effect to the offering there will be 356,000 shares of common stock of 25 cents par outstanding, and $176,000 of mortgage debt.

Victor Dykes With Currier & Carlsen

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Victor Dykes has been appointed a Vice-President of Currier & Carlsen, Incorporated, 210 West Seventh Street, members of the Pacific Coast Stock Exchange, it was announced by Warren Currier, III.

Victor Dykes

Mr. Dykes, formerly Vice-President of Holton, Henderson & Company, will be in charge of Currier & Carlsen's underwriting department in the Los Angeles office.

Thomson, McKinnon Brch.

SANTURCE, Puerto Rico—Thomson & McKinnon has opened a branch office in the Miramar Charter House under the management of Jose E. Bird.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

With the government nearly two weeks into the fiscal year of 1962, Congress has not passed a single appropriation bill. Several weeks ago it passed a blanket resolution saying the various government departments could continue to operate on the same appropriations granted last year until it could pass the new bills. It is not unusual that Congress doesn't pass one appropriation bill before the fiscal year ends, but it cannot be remembered that all of them were bogged down.

Nevertheless, it has passed several difficult bills, all a part of the Kennedy program. They include minimum wages, social security, depressed areas, housing, feed grains, highways, pollution, judgeships, government reorganization and a bill increasing the debt ceiling.

Many of the appropriation bills have reached an advanced stage but their passage still remains a chore for Congress before it adjourns.

Most of the legislation passed was a holdover from the previous Congresses, measures that the Democrats have long wanted to pass. But with a Republican President they couldn't get anywhere.

They still have a large part of the Kennedy program to accomplish and what is left is much harder than what has gone before.

The fight over President Kennedy's mutual aid program, including five-year commitments to be financed by borrowings from the Treasury, is still in full swing. Also in trouble are the Federal aid to education bills, the farm bill and medical aid to the aged. More trouble than anything else, perhaps, will be caused by an attempt in the Senate to amend the rules to prevent filibusters. It is that which threatens to hold the Senate here indefinitely. But if the Senate gets into a prolonged filibuster in an attempt to prevent filibusters the House is likely to pick up and go home, leaving the Senate to operate by itself.

* * *

Believe it or not, the Republicans are predicting they will carry Arkansas in 1968 if not in 1964. It is pointed out that Arkansas gave more than 46% of its vote to a Republican candidate in both 1956 and 1960.

Winthrop Rockefeller, brother of Nelson, is a resident of the state, has given freely of his money and contributed largely to bringing new industries into the state. He now has been elected Republican national committeeman. I. Lee Potter, who is in charge of building up the Republican party in the South, has just returned from a tour of eight Southern states.

Republicanism has been given a lift by last month's victory of a Republican Senator in Texas. After Congress adjourns, this Senator, John G. Towers, intends to make speeches all over the South telling the various party officials how it was done.

Whether the young Texan's triumph turns out to be a breakthrough in the South remains to be seen. But at least it offers solid evidence that Republicanism in Dixie is no freak phenomenon but a clear and present danger to the one-party rule of that region.

The threat to the Democrats first emerged in 1952 when Eisenhower carried Florida, Oklahoma, Tennessee, Texas and Virginia. Four years later he won all of these states, plus Louisiana and Kentucky.

In 1960, Nixon carried Florida, Kentucky, Oklahoma, Tennessee and Virginia and received 48% or more of the vote in North Carolina, South Carolina and Texas.

The strength shown by the national ticket in these states helped local Republicans gain a foothold in their Congressional delegations. Once elected, these men have shown an uncommon ability to hold onto their districts. Today, as a result, there are five virtually unassailable Republican Congressmen from Texas, Florida and Virginia who were not on the political scene before 1952.

The character of their districts and their voting records is the tip-off to the secret of the past decade's Republican successes in Dixie. It is the growing metropolitan areas of the South that have become the citadels of conservatism and Republicanism.

Without exception, their philosophy of government and economics is orthodox conservatism and their view on civil rights legislation typically Southern.

John Munroe Opens

John Monroe is engaging in a securities business from offices at 15 East 64th Street, New York City.

Joins Richard Kohn

NEWARK, N. J.—Albert Canter has become associated as a registered representative with Richard E. Kohn & Co., 20 Clinton St., members of the New York Stock Exchange.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The market for Government obligations has moved recently in a rather narorw range and there are not likely to be any important or violent changes in this pattern in spite of the coming refunding and new money raising ventures of the Treasury. The opinions are that the Government will continue to obtain the bulk of its new money and its refunding funds in the money market or short-term sector. This is not considered to be unfavorable to either the near-term liquid obligations or the long-term Government bonds.

The new fiscal period which started on July 1, will no doubt bring with it considerable in the way of activity in the money markets as far as the Federal Government is concerned. The refunding of the Aug. 1 maturities will most likely be taken care of principally through short maturities, even though intermediate term obligations with coupon rates ranging from 3¾% to 4⅛% in token amounts would not be a surprise.

The Treasury started off the new fiscal year by announcing last week that the $1.5 billion of 12-month bills were to be replaced with a $2 billion issue, so that $500 million of new money was raised in this manner. The Government was able to sell the $2 billion 12-month bill on a 2.908% basis, which was in line with current money market conditions. It appears as though the Treasury will follow the policy of having the 12-month bills which mature every three months build up to the $2 billion mark as contrasted with the $1.5 billion level which the previous Administration had cut them down to.

Refunding Terms Awaited

The money and capital markets were not expected to do very much in either direction until the Treasury made known the terms of the refunding operation and this has been pretty much the case. The terms of the large refunding venture are expected to be made public today (July 13) and the conferences which have taken place this week between the Treasury and the various market advisory groups, seem to indicate that the Government is tapping all sources for advice so that the right securities will be offered to the owners of the obligations which are coming due on the first of August.

To be sure, the Treasury in this impending refunding operation would like to push out the overall maturity of the Government debt and there are quite a few money market followers who believe this will be done. They feel that a Treasury issue or issues with a maturity up to five years or thereabout will be part of the package deal which will be offered to holders of the Aug. 1 maturities. This would still be in the intermediate term range and would result in a modest extension of the maturity of the Government debt.

However, it does not seem as though the Treasury will give up its current policy of using short-term obligations for both refunding and new money raising operations. In addition to the meeting of maturities as they come due, there will be the raising of new funds for the balance of this year, with between eight and ten billions likely to be borrowed before the end of 1961. The first new money venture of the Treasury is likely to involve between $3 billion and $4 billion with these figures decreased by the $500 million which was obtained this week through the sale of the 12-month bills.

What Type of Offer?

The other important point which the Treasury has to decide is mainly technical, this is the way in which the refunding operation will be taken care of, that is whether or not there will be a straight exchange offer given to the owners of the maturing obligations, or to make it a cash operation in which the public as a whole will be able to take part. If an exchange offer type of operation should be decided upon, it seems as though it will include the $2.2 billion of 2¾s maturing Sept. 15. Some believe that irrespective of how the coming refunding venture is provided for there will be an (exchange) offer made to fit the needs of the owners of the latter securities.

The near-term market is as strong and large as ever with the demand for the most liquid Government obligations showing no signs of a let-up, even in the face of the impending refunding and new money raising operation of the Treasury. Accordingly the Government is almost forced to sell short-term securities with such conditions prevailing.

Hawkins Named By C. F. Childs

Russell S. Hawkins, formerly Assistant Vice-President of C. F. Childs and Company, Inc., has been appointed Second Vice-President as of July 11. Mr. Hawkins makes his headquarters in the firm's New York City office at 1 Liberty Street.

Russell Hawkins

Energy Fund Names Dirs.

Energy Fund, 2 Broadway, New York City, has elected as directors of the Fund John F. Meck, Vice-President and Treasurer of Dartmouth College, and James R. Foster, former Vice-President of De Pinna.

F. I. duPont Branch

HEMPSTEAD, N. Y.—Francis I. duPont & Co. has opened an office at 29 North Franklin Street. Fred E. Campbell, for many years associated with the firm's main office, is manager.

Named Director

Norman H. Baumm, director, secretary and treasurer of Stroud & Co., Inc., was recently elected a director of the Stock Clearing Corp. of Philadelphia.

Fontana Branch

BROOKLYN, N. Y.—Fontana Securities, Inc. has opened a branch office at 2123 East 35th Street.

The Competition Between Actual Goods and Services

Continued from page 3

increase in the total output of the goods-producing sector—the farm, mining, manufacturing, and construction industries — was 4.2%, almost identical with the rate of increase in the total output of the service sector—trade, finance, insurance, transportation, communications, public utilities, business and personal services, and such direct Government services as the post office and TVA.

However, total man-hours actually declined fractionally in the goods sector while they rose 1.2% in the service sector. Thus, real product per man-hour was expanding at an annual rate of 4.4% in the goods producing sector as against only 2.8% in the service sector. If we remove agriculture from the comparison, we find that the rise in productivity in the goods area was substantially less —3.1%—but still significantly higher than in the services.

It is, of course, not always realistic to contrast productivity changes in the services as against those in the goods-producing sectors. After all, you can't style a lady's hair on an assembly-line or by using the latest automatic devices. The same holds true for the work of nurses and school teachers; in fact, you would increase their real productivity by reducing their workload.

Over the years, not all types of service employment have been expanding, however. For instance, employment in interstate railroads, and local public transportation fell more than 40% between 1947 and 1959. Employment in telephone, telegraph, and motion pictures is also down substantially.

To turn now to the consumption of goods and services in the total economy, our best measure is the Gross National Product. The Commerce Department publishes a special regrouping of the usual series into major types of products —goods, construction, and services. In this classification, services include personal consumption expenditures, Government purchases of services (both the direct services of Government employees and services furnished by you in business) and net service exports.

Dollar Outlays

It is interesting that over the span of 30 years, 1929 to 1959, the average annual rise in current dollar outlays for services, 5.2%, was almost exactly the same as the rise in total GNP. In terms of constant dollars the rise in services was somewhat greater, 3.1% as compared with 2.9% overall. From 1929 to 1955, the rate of rise in services was almost identical with the increase in Gross National Product in real dollars. Since 1955, however, services have shown a much sharper rise—an annual rate of 3.9% as compared with only 2.2% for the total which reflected moderate increases in both construction and nondurable goods, offset by a little decline in durable goods.

The more rapid rise in real services during the past five years is a result of several factors. The more urgent postwar needs for goods have been met. Also the pattern of consumer demand has changed, because of changes in the characteristics of families, in the manner of living, and in the goods and services which are available.

"Consumer Is King"

Let us now look at the evidence of competition between goods and services in consumer expenditures. For the long-term, consumer expenditures for services are crucial. In today's and tomorrow's markets the consumer is king. His expenditures for goods and services represented 65% of the total Gross National Product in 1960, and totaled $328 billion. Shifts in consumer buying are watched with anxious eyes by all of us in the economic forecasting business. Small wonder, for a fractional slowdown in consumer purchases —that ominous wait-and-see period—can make all the difference between a good year and a bad one.

Cyclically, the purchase of consumer services, as we ordinarily use that term, provides an element of stability, for many services are constantly purchased year in and year out, and in recent years have been on a rising trend. Purchases of some services, such as those associated with new homes, are somewhat less stable, but in comparison with consumer durable goods, they are stability itself.

Consumer services absorbed about 40% of all consumption expenditures in 1960. The other 60% went for goods—with 47% for nondurable goods, mostly food, clothing, tobacco, etc.; and 13% for durable goods.

Over the postwar years, there has been a substantial rise in

both the dollar total of consumer expenditures for services and in the proportion which they form of the total Gross National Product. In the late 1940's, for example, shortly after the end of the war, consumer services were only 32% of all purchases, as compared to 40% in 1960—the same as in 1929 when they were also 40%. Much of the postwar change reflects the fact that the pent-up demand for postwar goods has been substantial.

Relative Costs of Services versus Commodities

An important factor in the rising dollar level of consumer expenditures for services has been the persistent rapid rate of increase in their costs in the postwar years, which we all remember so well. The cost for services has been increasing very substantially and steadily, year after year, and in March 1961 was 52% above the level at the end of the 1940's (1947-49), in contrast with a rise of only 27% in the Consumer Price Index as a whole.

But if we consider prices paid by consumers over the longer span of time, it is interesting to note that in relation to the mid-1930's, prices of commodities have increased **more** than prices of services. The Consumer Price Index in 1960 had gone up by 115% from its 1935 level. Commodity prices had increased 126%, but charges for services — including rent—went up by less than 100%.

This relatively smaller rise in prices of services in the last 25 years is due entirely to the comparatively small increase in charges for the utilities. In total consumption in the utilities has increased enormously, so that expenditures for them are vastly larger than in the mid-1930's. But the price increase, as shown by the Consumer Price Index, is only 56% in the quarter-century since 1935. This is in contrast to a rise of 135% for medical care, 130% for transportation, and approximately 110% for all services, less rent.

Shifting our focus to the **real** personal consumption expenditures for services we discover that, although growth now is greater for services than for goods, there are very different rates of change for the different kinds of services, ranging from a 1% increase in recreation and personal services to nearly 6% in household operation.

Categories of Services

At this point let me make clear just what consumer "services" we are talking about.

Generally speaking, they fall into a few broad categories:

Housing expenditures, including rent or the equivalent rental value of own homes (and here the statistical artists differ, and confuse us). Combined with this is household operation, including a variety of domestic services, gas, electricity, telephone, etc.

Another classification is transportation services, particularly public transportation and automobile repairs.

Other categories are recreation, personal services, and a miscellany of other services, including medical care, personal business services such as finance, and private education and religious activities.

Within these categories in the years since the war, the sharpest increases, after allowing for price changes, have come in expenditures for housing and related household operation, especially the utilities, and a very sharp rise in expenditures for medical care.

In contrast, there has been a decline in the amount of the consumer dollar spent on public transportation services, and on certain personal services — with the substitution of do-it-yourself activities for commercial personal services — and little increase in overall expenditures for recreational services, again because of the substitution of home entertainment.

As for goods, there has been a relative decline in the importance of food and beverages, clothing and shoes, and even furnishings and equipment since the late 1940's. There has been, as we are all aware, a sharp rise in expenditures for automobiles, gasoline and oil, and a variety of other durable goods.

The line between goods and services not only is a fine one, but also it shifts constantly. Increasingly, services are built into goods and add to their costs, replacing personal services. Familiar examples, of course, are the processing built into foodstuffs, in prepared cake mixes, frozen foods, etc., which substitute for the domestic servant of bygone years. Moreover, there is often a choice to be made between goods and purchased services which perform the same general functions. An example is the television set—a good (presumably)— versus the services involved in admission to the movie theater, the racetrack, or the ball park. Another is the purchase of an automatic washer versus the services of the commercial laundry or of the coin-operated laundromat in the shopping center; or the purchase of an automobile versus the use of the services of public transportation.

In the competitive race between goods and services, the public fancy is taken by first one and then another means of meeting needs.

Nevertheless, the balance keeps moving toward various forms of services, as leisure-time increases and as our standards of health and culture rise. Our generally rising standard of living is pouring more money into certain types of services—medical care, recreation and travel, and into private education. This will increase further with the rising tide of young people coming of college age in the mid-1960's.

The form which purchases will take will be determined by the choices of individuals, not merely by that mythical creation, the "spending unit"—which often has more than one wage-earner. Choices are made not solely by mother or father but by the teenagers and grandma as well. America has become a middle-income nation, with a large amount of family income to spend after providing for the basic necessities. This so-called "discretionary spending" will go for a large and changing variety of goods and services. For the decade of the Sixties, it appears that the changed distribution of the population and the anticipated rise in the general levels of family income will result in still further increases in the relative importance of the services, especially medical care and personal business services, for youngsters and oldsters, who are growing in numbers, require more of them.

*An address by Mrs. Wickens before the 45th Annual Meeting of National Industrial Conference Board, New York City.

First Small Bus. Investment Co. of N. J. Stk. Offered

A group of underwriters headed by Shearson, Hammill & Co., New York City and Heller & Meyer, East Orange, N. J., is offering 300,000 shares of $1 par value capital stock of First Small Business Investment Corp. of New Jersey at $12.50 per share. This will be the first public offering of the company's shares and is expected to realize gross proceeds of $3,750,000. The company, organized by The National State Bank of Newark, intends to invest its funds in small business concerns representing a wide variety of industries and companies where, in the opinion of management, the risk is justified by better than average potentialities for growth. A substantial portion of the company's business is expected to derive from concerns located in northern New Jersey or its environs. However, the company also intends to provide funds to small business concerns in other parts of the United States.

The company commenced operations in July 1960 and since then has invested $330,000 in seven small business concerns. The National State Bank of Newark, which has 22 banking offices with over 100,000 accounts throughout Essex County, is presently the company's sole stockholder. After the sale of the stock now being offered, the bank will own approximately 9% of the company's stock.

First Small Business is a closed-end, non-diversified management investment company registered under the Investment Company Act of 1940 and licensed to operate under the Small Business Investment Act of 1958. Under 1958 amendments to the Federal Internal Revenue Code, certain tax advantages are available to the stockholders of small business investment companies. If an investor in the stock of a small business investment company sustains a loss with respect to such stock, he may deduct the loss from ordinary income rather than from capital gains. This provision is of relatively greater potential benefit to investors in high income tax brackets. Any realized gains are taxable at the usual rates for capital gains.

Ralston Incorporates

SHERIDAN, Wyo.—F. L. Ralston Brokerage Company, 109 South Main Street, is now doing business as a coporation. Forrest L. Ralston, formerly proprietor, is President; C. D. Ralston is Vice-President, and C. C. Brownell, Secretary-Treasurer.

First Offering of N. Y. State Housing Finance Agency Bds. Made to Invest.

The first offering of a projected total of $525,000,000 tax exempt bonds of the New York State Housing Finance Agency, created in 1960 by the Legislature to provide dwelling accommodations at rentals the ordinary operations of private enterprise cannot provide, was made on July 13. The offering is being made by a group of underwriters managed by Phelps, Fenn & Co., Lehman Brothers, Smith, Barney & Co. Incorporated and W. H. Morton & Co. Incorporated.

This offering consists of $51,863,000 New York State Housing Finance Agency 4% General Housing Loan Bonds due serially Nov. 1, 1964-2004, inclusive. The bonds are scaled from a yield of 2.20% for the 1964 maturity out to a dollar price of 100 for the 1997-2204 maturities.

Bonds maturing on or before Nov. 1, 1981 are not redeemable prior to maturity. Subsequent maturities are optionally redeemable on and after Nov. 1, 1981 as follows at 104%, if redeemed during the period Nov. 1, 1981 to Oct. 31, 1986; 103%, Nov. 1, 1986 to Oct. 31, 1991; 102%, Nov. 1, 1991 to Oct. 31, 1996; and 101%, Nov. 1, 1996 and thereafter prior to maturity, plus accrued interest in each case.

Interest on the bonds is exempt from Federal and New York State income taxes.

The bonds are direct and general obligations of the Agency and its full faith and credit are pledged for the payment of principal of and interest on the bonds. The bonds are further secured by a pledge and assignment of the mortgages securing the loans made by the Agency, by a pledge of mortgage repayments required to be made by mortgagors, a portion of the fees and charges imposed by the Agency, by project operating income and by monies in he capital reserve fund to be created and maintained by the Agency for the purpose of securing its General Housing Loan Bonds.

The Agency is authorized to make mortgage loans, to limited-profit housing companies, of not more than 90% of the cost of the housing project.

Proceeds from current offering will be used to advance $51,240,000, representing approximately 80% of the mortgage loan commitments to four limited-profit housing companies in New York City, and to deposit $623,000 in the Agency's capital reserve fund. The remaining 10% of each mortgage loan commitment will be advanced to them from the proceeds of subsequent bond sales and after final project costs have been determined.

The four limited-profit housing companies and the sums to be advanced to them fro mthe proceeds of the offering are the Bronx Park East Housing Co., Inc., $4,467,000; Field Housing Company, Inc., Brooklyn, $18,464,000; Lafayette-Morrison Housing Corp., Bronx, $13,117,000; and Washbridge Housing Corp., Manhattan, $15,192,000.

A principal purpose of the Agency is to aid in the financing of "middle-incoming-housing" for families whose incomes are too high to make them eligible for subsidized public housing and too low to enable them to purchase or rent housing produced by unassisted private enterprise.

Estate Funding Branch

DENVER, Colo.—Estate Funding Corporation has opened a branch office at 101 University Boulevard under the management of Jack Brittain.

New Stroud Office

DOYLESTOWN, Pa. — Stroud & Company, Incorporated has opened a branch office at 95 North Broad Street under the management of Leslie L. Taylor.

Factors Affecting Market Investment Policy in 1960's

Continued from page 1

the future in this way, will we find that anything is certain about the 60's. I was tempted to make that the title of this paper, for there are a surprising number of things which are certain about the 60's.

We can predict many events in the 60's, but we cannot say exactly when they will occur. It is always true that the most baffling question with which investors wrestle is not what will happen but when. Almost all of our mistakes are errors of timing.

Perhaps we are too inclined to put the cart before the horse, concentrating on the timing of purchases and sales. We should rather concentrate on the timing of events. If we can do that with fair success, the timing of investment changes may become a very simple matter.

The question immediately arises as to how far ahead we can forsee important developments with reasonable accuracy. This is something which mankind has never been able to do well. As a keen student of other people's forecasts, I have come to the reluctant conclusion that certainty begins to fade out some six to nine months ahead.

In the brief period of the following six months, businessmen and investors can confidently predict that prevailing trends will continue, or that conditions will remain unchanged. Notice how often a corporate president, looking ahead at a new year, expects a change in the third quarter. The stock market usually anticipates developments by six to nine months, which seems to be the time when coming events first enter the range of vision of the keenest observers.

This is a disappointing prospect for an investor who is plunging into the untracked wilderness of the 1960's. If we really can see only six months ahead, wouldn't we be prudent to adopt investment policies so cautious, so hyperconservative, that our accounts will be ready for any eventuality?

Not if we mean to remain in the trust business! There are other managers of funds in competition with us who may have more faith in our economy, in the wisdom of our leadership (both public and private), and in the logic of their own longer range forecasts. So we would be wise to go back to a study of the sixties, to see whether there are other predictions which can be made about them with confidence.

Reliability of Six-Year Forecasts

I believe that six-year forecasts are often more reliable than those covering six months. The choice of a period of six years is not a careless one. It is related to the duration of certain cycles and the slope of certain trends. It is the period of time in which many fluctuating factors will have run their course and deep-seated trends prevailed.

A six-year period is a representative "sample" of time. It is impossible to predict what will happen tomorrow, or next week, or even next year. But in an adequate "sample" of time, the progress of our economy becomes almost as predictable as rainfall and mortality.

Finally, a period as long as six years gives the powerful factor of compounding time to do its work. In one year the earnings of a well selected company may increase 15%, which is all well and good. But we should realize that 15% compounded year after year will quadruple those earnings in the sixties! How many errors of timing are offset when the factor of compounding has time to do its work.

So we have developed a picture of an investor who is constantly looking ahead into the future, seeing clearly for six months ahead, and with a fair idea of what he may expect to find six years ahead. This leaves him a disturbing 5½-year gap, and in that darkness lie all manner of unforeseen and untimely events. He is very much like the driver of a car at night, who can see clearly only in the beams of his headlights but who has a good idea where the road ultimately leads.

A good driver watches the road ahead and sees the curves and the bumps as his headlights pick them up. He takes prompt action to avoid them. The successful investment manager of trust funds must also watch carefully as his limited foresight reveals the twists and turns of our economy. It is essential that he be prepared to take action.

Too many trust officers, finding near-term forecasting extremely difficult, resign themselves to relying on the certainties of the distant future. This has led the public to think of some trust officers as "glorified custodians."

However, a reputation as a successful investor or manager of funds is a perishable thing, and the public will not bear with us long if we are wrong. Some trustmen have an unimpressive reputation as investment managers because they are not willing to reconsider policy at frequent intervals. In other words, since they are sure that the long road leads to the promised land, they simply refuse to steer.

In the 1960's success in investment portfolios will require a willingness to change. Policies will have to be more flexible than in the past, and investment action will have to be prompt and unhampered. In the many boom years which followed the Second World War, there were unlimited opportunities for all companies. There appear to be many fewer unexploited opportunities ahead.

Markets for some products are approaching saturation, while other goods and services are approaching obsolescence. Furthermore, the gains of organized labor have cut into corporate profit margins to a disturbing though varying extent, and this will continue to be true.

For these reasons, the choice of equities in the 1960's will be increasingly difficult, and timely changes among them will become vitally important. Because of the exhaustion of potential markets and the erosion of profit margins, it will probably be true that companies which do not gain ground will lose ground. There will be many fewer comfortable income producers for trustmen to fall back on.

So, our first advice for the 1960's would be that you keep more liquid than before, more flexible than ever, and make up your mind that you will have twice the activity in your trading department that you have have had in the past.

Near-Term Forecast

So now for the near-term forecast for the 1960's—for the coming months which are already visible in the headlights. The country is recovering from a very mild recession, and we expect this upward trend to continue throughout the remainder of the year. There is some disagreement as to whether or not we are heading for another old-fashioned boom. One view is that the recession was mild because the underlying condition of the economy is especially strong. This suggests to some that we are headed for a boom of record-breaking proportions.

I think it is more likely, and in the long run more constructive to believe, that the recent recession was mild because our economy is slowly becoming more stable. This would suggest that the recovery in business also will be mild, and will not reach boom proportions. If we have learned to keep our economy from hitting the bottom hard, we must accept the fact that it will not bounce so high.

I remember the wise words of Marcus Nadler: "If we can keep 1960 from degenerating into a boom, we shall have little to fear from 1961." Significantly, 1960 didn't boom, and 1961 didn't bust. If the present recovery appears to be heading toward boom proportions, I hope that business leaders and the Federal Reserve Board will once again damp it down.

It therefore seems possible that our recovery will be moderate. The stock market anticipated the improvement in business very promptly and very fully. It also seemed to reflect early this year some signs of surprised relief that the Cabinet appointments of the new Administration were quite acceptable, and that President Kennedy's early actions were conservative and relatively reassuring.

Now we have some doubt in both regards. The economic recovery is not particularly vigorous, and the Administration seems to have ended the "best foot forward" period. Furthermore, the labor unions, which have the strongest political foothold in their history, may be awaiting only the return of good business conditions before making another round of demands. Finally, tension is heightening around the world.

All things considered, there is considerable question whether the stock market as a whole will find it easy going in the months ahead. We do not consider the recent setback to be more than an intermediate correction, but the best buying period for stocks would seem to be behind us. Please bear in mind that this is a short term forecast.

Forces Keeping Stock Prices Up

Looking beyond the next few months, and particularly looking for factors which are certain to have a bearing on the stock market for years to come, there seem to be a number of confident predictions which can be made. The stock market is high today for many reasons, and a number of those reasons seem certain to persist.

The Federal tax structure will continue to stimulate the demand for common stocks while reducing the supply. One factor which has reduced offerings of common stocks has been the capital gains tax. The higher market prices rose, the more costly capital gains taxes became. As a result, many large blocks of stock are really not available for sale. This powerful force working to reduce the supply of common stocks will continue unabated into the sixties.

Many wealthy individuals have been influenced by the difference between capital gains tax rates, which do not exceed 25%, and personal income tax rates, which go as high as 80%. They have preferred capital gains to dividends. This has created, on their part, a continuing demand for common stocks. This factor will continue in the sixties.

Corporations have been prompted to offer bonds rather than common stock when raising new capital. This has been because bond interest is deductible and dividend distributions are not. There is no indication that this factor, which limits the supply of common stocks, will change.

A wide variety of funds, some of which are of tremendous size, have become regular buyers of common stocks. They have the characteristics of professional investment managers, in that they buy steadily and actually accelerate purchases when the market goes down. The growth of mutual funds may be influenced by psychological factors, but there is an actuarial certainty to the continued growth of pension funds. There is at least a strong probability that profit-sharing funds will continue to grow.

The number of variable annuity pension funds is increasing rapidly, and a determined effort is being made by life insurance companies to enter the variable annuity field. There is no indication that this program will be abandoned, and it is characteristic of such funds that they are steady buyers of common stocks in large amounts.

Thus it is probable, if not certain, that the imbalance between demand for and supply of common stocks will continue. For this reason at least, price-earnings multiples may be expected to continue high. We see no prospect of a return to old-fashioned multiples.

Public confidence in the economy is another factor which has contributed to high multiples.

Ever since the Second World War, there has been a growing feeling that our economy is a more smoothly running machine than it was in the old depression days. No one could argue with this assumption, for many safeguards have been developed, and many procedures both in business and government have been tested, to cushion the shock of recessions and moderate the force of booms.

Do not be unmindful of the fact that this public confidence is being strengthened again at this very moment. We are now emerging from the third postwar recession, which proved to be brief and shallow. We drew great satisfaction in 1959 from the fact that we had shaken off, for the second time since the war, a recession which some thought might become a depression. Now in 1961 we are doing it again. We are entering the early 1960's with confidence in this aspect of our economy at an all-time high.

Industries Bound to Grow

Another reason for the high level of common stock prices is the faith which investors have had in the continued growth of certain companies. Not all of the favored industries of the 1950's will continue their gains in the 1960's. But here again there are strong probabilities, which in hindsight will seem to have been certainties.

For example, it seems inevitable that the need for more labor-saving devices will continue for many years to come. They have been the salvation of our economy as the cost of labor steadily rose, and they seem to be the best answer to the certainty of continued labor gains in the future.

Labor-saving devices take many forms, and sometimes we forget that they serve a labor-saving purpose. All types of modern office equipment for bookkeeping, for check sorting or copy making reduce the need for white collar workers. There are machines for stuffing and stamping envelopes, and we will soon see machines for addressing and sorting mail. This field has made a number of companies great, and the future remains very bright.

Electronic computers are labor-saving devices. In the sixties you will certainly see a rapid increase in their use, particularly in data processing centers. This will make them available to smaller businesses unable to purchase or lease this expensive equipment. It will be unnecessary to carry trays of punched cards or magnetic tape to the centers, for data will flow over wires.

A telephone executive has predicted that this traffic will exceed the entire volume of spoken messages.

Home appliances, TV dinners, and packaged foods have taken the place of the laundress and the cook. They have also freed up leisure hours, and the trend toward larger expenditures for leisure activities will continue. Each time an hour is taken from the working week without a reduction in pay, leisure industries feel the effect. We now realize that we should have bought Outboard Marine years ago, when millions of workers were given Saturday off with pay. We should have known that they would go fishing!

There will be continued growth in the use of vending machines wherever the merchandise does not require examination or salesmanship. Major uses are likely to be the sale of theater tickets and gasoline.

Our society is improving its standard of living in the field of services, which includes larger expenditures for education, publications, financing, and travel. There is no reason to expect this trend to turn downward. We should have foreseen in the past the increasing use of instalment financing. In retrospect, it was inevitable that increased job security, coupled with unemployment protection, would give families confidence to carry larger amounts of instalment debt. There is no reason to believe that this debt must be liquidated. A higher volume has become normal, and its growth will continue.

Another certainty of the 1960's is continued progress in the field of drugs. The breakthrough in antibiotics has been substantially discounted, but we are close to great gains in areas of cardio-vascular problems, anticholesterol drugs and a cancer cure. The government is taking a disturbing interest in the profits of the drug companies, but it is inconceivable to me that it will kill the incentive behind this vitally important research.

An industry for which the period of the sixties will be very bright is the field of life insurance. The saturation point here is far beyond the sales which have thus far been achieved. In theory, life insurance is inadequate until it is sufficient to replace the full earning power of the insured. We are far from that point.

There seems to be no end to the uses for electricity, and the sixties should continue this deep-seated trend. The electric utility companies have proven to be among the finest investments of all. There is a significant trend toward the intrusion of Rural Electrification Administration lines into areas already served by private companies. However, the trend of electric rates is so favorable, and the amount of the average consumer's monthly bill is so small relative to his other expenditures, that it is not in the cards for us to see another round of utility baiting.

Increasing labor costs seem to have doomed the lumber industry to very gradual attrition. Lumber which must be measured, cut, nailed, and planed by high-salaried carpenters is losing ground to plastics, metals, and gypsum board. Our scientific advisers tell us that lumber will be the first building material to fall by the wayside. There will be opportunities for investment in the companies making more modern building materials during the sixties.

It is hard to predict the future of the automobile industry, because its cycles are short and so commonly influenced by styling. However, the revulsion from giant cars and chromium gadgets seems to be deep-seated. Furthermore, falling back again on simple logic, the acute traffic congestion which plagues America will be relieved by compact cars. Making the cars bigger, while available parking spaces grew smaller, was a trend which had to turn. The automobile industry may have reached maturity, and its investment appeal in the sixties is questionable.

During the sixties, trustmen may begin to invest moderate amounts of money overseas. There are added hazards in other parts of the world, and they are not solely related to the risk of war. There are exchange restrictions to worry about, and in some areas a chance of the nationalization of industry. However, the rewards are tempting, for the standards of living are rising rapidly, saturation points are far below ours, and labor costs are favorable. Not all regulatory authorities are ready for this step, but a careful entry into foreign securities markets during the sixties seems probable.

One deterrent to foreign investment is the continuing dearth of reliable statistical information. Don't be misled by reports of security analysts societies in Europe. They are embryonic at best, and what they have to work with is pitifully inadequate. However, considerable first-hand information is available for American investors who are in a position to get it for themselves.

Chronically Higher Interest Rates

Meanwhile here at home, fixed-income investments may continue to treat investors badly. If this country is to have the economic growth which many forecasters predict, the sources of funds—savings, depreciation, plowback, etc.—may be scarcely adequate for the purpose. It seems likely that interest rates will be chronically high—quite possibly higher than they are today.

I have painted a rather rosy picture of the sixties, with particular emphasis on picking and choosing carefully among investment opportunities. I have suggested that many strong upward trends now apparent will continue for years to come. This leaves one serious question unanswered, which is the profitability of the business which will be done. Will profit margins continue to narrow until we have reached the often-discussed state of a "profitless prosperity?"

Wages, Profits and the Administration

I do not know what the final outcome of the wage price spiral will be. Surely I do not think that labor has made its final demands upon management. Projection of the labor gains of the past 25 years is an alarming prospect, with profit margins dwindling to nothing.

Since we cannot forsee the future, why not fall back again upon logic and the belief that there will be sound reasons for future developments. In 1932 it was clearly evident that the plight of millions of workers was intolerable, and that labor had to increase its share of the nation's wealth at the expense of ownership. This has now largely been accomplished. Although organized labor will always want more money than it has, its case is far less urgent.

You may ask how the demands of labor can be expected to diminish when labor's political influence is the highest in history. Is it possible that the Kennedy Administration will take a middle course in labor-management relations? I believe that the Democratic Administration has a mandate from the people which is reassuring in this regard.

We are in a bitter struggle with Communism and a race to make our system of private enterprise outperform the Russian economy. The Kennedy Administration must see that our economic machine never misses a beat. This is a far cry from the mandate given an earlier Democratic President, Franklin D. Roosevelt, who came in to tear the machine apart, if need be, and to rebuild it in some new form. Thank heaven, this is no time for tinkering, for there are those in high places who would tinker if they could.

Therefore, I believe that we

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A Sample Common Stock Portfolio for the Early 1960's
Chosen Exclusively from Industrial Companies
Reporting Widening Profit Margins

	Pretax Margins 1955	Pretax Margins 1960
Foods		
American Chicle	23.9%	27.1%
Campbell Soup	15.8	16.5
Mead Johnson & Company	17.0	25.0
Home Products & Drugs		
American Home Products	18.4	22.4
Bristol Meyers	12.1	15.7
Procter & Gamble	12.9	13.5
Richardson-Merrell	19.0	22.9
Retail Trade		
Federated Department Stores	8.6	8.7
Tobacco		
Reynolds Tobacco Company	14.0	15.6
Paper		
Scott Paper Company	17.0	17.5
Publishing		
Holt, Rinehart & Winston	10.9	17.5
Office Equipment		
American Photocpy	24.2	29.7
IBM	20.9	24.1
Electronics		
Litton Industries	7.3	8.2
Texas Instruments	8.7	12.6
Miscellaneous		
Brunswick	7.7	22.6
Eastman Kodak Company	26.0	27.5
General American Transportation	14.6	14.8
Otis Elevator Company	18.9	21.2
Peabody Coal Company	10.4	15.3
Add:		
Three Electric Utilities		
Two Life Insurance Companies		

Factors in Market Policy

Continued from page 25

need not extend to the point of profitless prosperity the trend of labor's gain at the expense of ownership. A much needed improvement in labor's share of the wealth has been effected, and the precious stimulant of the profit motive must be preserved while the race with Communism is run. I do not know when or how the wage-price spiral will be stopped, but it is simply not in the cards under prevailing conditions that it go on to a disastrous end.

Picking Stocks With Widening Profits

Is this too optimistic a view? Is there something more definite to go on? Why not deal with the problem of shrinking profit margins by refusing to buy the stock of any company whose margin is not widening? An entire portfolio can be selected in that manner.

The following stocks were not chosen with reference to price earnings ratios, yields, or appreciation, but exclusively from a group of industrial corporations reporting widening profit margins. The list looks like a cross between the Favorite Fifties and the new highs for last week! Why not make this one test your criterion for the selection of stocks in the early sixties. You could hardly do better.

In summary, my idea of an investment policy for the sixties calls for considerable caution in the immediate future and deep-seated confidence for the longer period ahead. Fixed-income investments will continue to produce both income and heaaacnes. The management of common stock portfolios will be exceedingly difficult, with a stiff penalty for inflexibility and reluctance to change. Selectivity will be all-important, and the process of searching selection should be already under way.

*An address by Mr. Buek before the 35th Western Regional Trust Conference sponsored by the Trust Division of the American Bankers Association, Seattle, Wash.

Paulen Burke With Barret, Fitch

KANSAS CITY, Mo. — Paulen E. Burke has been elected Vice-President of Barret, Fitch, North & Co. Inc., 111 W. Tenth St., members of the New York Stock Exchange. Mr. Burke has been identified with the investment business in Kansas City 32 years.

Paulen E. Burke

He started as a bond salesman with Fidelity National Corp. and later helped form the firm of Burke & MacDonald Inc., of which he was President. He withdraw from the firm in 1959 to accept an executive position with Waddell & Reed Inc. He resigned as Vice-President and Director of Waddell & Reed June 1 to reenter the general securities business.

AS WE SEE IT

Continued from page 1

in this country, and all that brought it forth and all that it has brought forth that few have any very clear realization of the extent and the relative recentness of the break with the older customs, the older thinking and the older way of life. Yet this country is a vastly different place from what it was two or three decades ago. If we go back, say, half a century, the change is almost incredible. It was the incomparable Lord Bryce who in days before the turn of the century and for a decade thereafter so ably described the then unique life in this land of ours — described it as critic and friend in his familiar two volume "The American Commonwealth." Here is an extract from that remarkable document written originally a dozen or so years prior to the turn of the century and specifically confirmed by him through editions revised in 1894 and 1910:

"There are no struggles between the privileged and the unprivileged orders, not even that perpetual strife of rich and poor which is the oldest disease of civilized states. One must not pronounce broadly that there are no classes, for in parts of the country social distinctions have begun to grow up. But for political purposes classes scarcely exist. No one of the questions which now agitate the nation is a question between rich and poor. Instead of suspicion, jealousy and arrogance embittering the relations of classes, good feeling and kindliness reign. Everything that government, as the Americans have hitherto understood the term, can give them, the poorer class have already, political power, equal civil rights, a career open to all citizens alike, not to speak of that gratuitous higher as well as elementary education which on their own economic principles the United States might have abstained from giving, but which political reasons have led them to provide with so unstinting a hand. Hence the poorer have little to fight for, no grounds for disliking the well-to-do, few complaints to make against them.

"The agitation of the last few years has been directed, not against the richer sort generally, but against incorporated companies and a few wealthy capitalists, who are deemed to have abused the powers which the privilege of incorporation conferred upon them, or employed their wealth to procure legislation unfair to the public. Where violent language has been used like that with which France and Germany are familiar, it has been used, not by native Americans, but by newcomers, who bring their Old World passions with them. Property is safe, because those who hold it are far more numerous than those who do not; the usual motives for revolution vanish; universal suffrage, even when vested in ignorant newcomers, can do comparatively little harm, because the masses have obtained everything which they could hope to attain except by general pillage. And the native Americans, though the same cannot be said of some of the recent immigrants, are shrewd enough to see that the poor would suffer from such pillage no less than the rich." In his 1910 revision of his classic volumes Lord Bryce said that he had left these words unchanged "because they seem still to express the view which the most judicious Americans themselves then took and take now of their country."

Not So Long Ago

And all this was just four years before World War I broke upon the world and only seven years before we were sucked into it. During those intervening years Woodrow Wilson aroused some enthusiasm in some quarters with his New Freedom, which at times seemed to presage some departure from traditions, but which for the most part dealt with weakening competition in an economic system even by then inhabited by industrial giants. But World War I was upon us, and then the wild and reckless postwar boom of the 'Twenties intervened — and laid the basis for the Great Depression which sucked in so much of the foreign born notions about government and social systems. The ground was ready for the revolution of 1933 and the years following.

There can be no doubt at all that the vast growth in recent years of belief in the magic of governmental interference and management would have astounded the people of this country in the earlier years of this century. An income tax system which takes up to and over 90% of the earnings of individuals after certain income levels have been reached, would have been regarded as something to be found perhaps in some of the more socialistic countries of the world but

which would never reach this one. No one, we are certain, foresaw the domination of so many industries by labor unions which have been able to have laws placed upon the statute books which make them immune to most of the antitrust legislation or the development of a state of mind in the population in general that renders these unions as immune to many of the ordinary statutes of the land. There had been forerunners of the agricultural programs of recent years, but it is doubtful if any responsible man even in relatively recent times would ever have dreamed of the largesse now lavished upon the farmers.

Of course, we are still far away from a full communist regime—and may Heaven defend us from any further approaches to it. But it is clear enough that it was the second not the first American revolution that is suggestive of the Russian revolution of 1918.

How to Remedy Canada's Investment Invasion

Continued from page 5

coming a flood, and that some of the incentives and privileges which had hitherto prevailed should now be withdrawn. It was decided that, in future, foreign capital in Canada should be treated for tax purposes in much the same way as domestic capital.

One of the incentives had been that Canada imposed no tax on interest paid to foreign holders of Canadian bonds. This had encouraged Americans to buy Canadian Federal, provincial and municipal obligations; of course, an added incentive was the premium on the Canadian dollar, which has prevailed for all too long a period.

Last December, this incentive of "no tax on interest" was rescinded and it was enacted that there would be a 15% tax withheld on interest payable to foreign holders of Canadian bonds and debentures, but—and I wish to emphasize this—the tax applied only to securities issued after Dec. 20, 1960. I know that this policy was not received with any great enthusiasm in the United States, but a point to note is that most American investors who buy these new Canadian issues will be permitted by their Government to apply the 15% Canadian withholding tax as a credit against their United States tax liability, so that, in fact, their taxes will not be increased at all.

Now, as to the tax on dividends —prior to the Canadian change in policy last December, some types of foreign-controlled corporations paid no tax at all on dividends which went out of the country; some other corporations paid only 5%. This incentive was also withdrawn and, now, all these companies must pay a 15% withholding tax on these dividends.

These new policies which imposed this 15% tax were the only significant changes last Fall in the Canadian tax law which affected foreign investors.

How Canadians Feel

But let me return to the subject of American-owned and controlled corporations operating — profitably, in most cases — in Canada. Some of these corporations have recognized that although Canada undoubtedly owes much to them, they, too, owe much to Canada and Canadians who support and make prosperous and profitable the operations of their Canadian subsidiaries. However, there is a feeling among many Canadians that most American parent organizations are inclined to forget their obligation to the Canadian people.

Field Marshal Montgomery used to have rather a colorful expression; he would say to his officers: "Don't belly-ache! If you don't like a plan and feel that the campaign is difficult, get on with it—don't belly-ache!" I do not want to appear to be "belly-aching," but do wish to state frankly the criticism that one hears in Canada concerning the policies of American-owned Canadian companies. These criticisms are directed to five main areas.

First, there is the failure of the American-controlled company to publish regular financial reports. I am sure that many good arguments could be put up as to why this should not be done, but to the Canadian customer or consumer who is supporting the company concerned it seems only reasonable that they should know something about the financial status of that organization. In this regard, it is interesting to note that the Canadian Government, last Fall, introduced Bill C-70 "to provide for the furnishing of financial and other statistics relating to the affairs of corporations and labor unions carrying on activities within Canada." This bill has not yet become law and may well be changed in some ways before it is finally passed; however, it will extend to nearly all companies and unions the same requirements that are now binding upon publicly - owned Canadian companies, i.e., financial reports will have to be published each year. It will also require companies to disclose full information on their share ownership.

A second area of criticism is the tendency on the part of many companies to close the door to advancement for Canadian employees. Perhaps one reason for this is the relative proximity of the parent and the subsidiary, which are often less than a few hundred miles from each other. An overseas parent company, separated by thousands of miles of ocean, tends to rely much more upon a Canadian manager and executives.

A third area of criticism is that seldom do the Canadian subsidiaries or Canadians have an opportunity to take part in basic or applied research. Most of this is done by the parent company in the United States. Not only does this deprive many talented Canadians of the opportunity to develop their research skills in their own country, but it may well deprive the company, also, of new ideas which might be applied successfully to their Canadian markets and Canadian products.

A fourth source of criticism is interference with export policies. Canada is making a desperate effort to improve its export markets and cut down the present adverse balance of trading, which last year, ran against us to the amount of almost 1½ billion dollars. In spite of this, I believe some Canadian subsidiaries are forbidden to compete with their United States parent companies for sales in overseas markets. There have been instances where a Canadian company has been forced to reject an export order for reasons of United States policy. As one might expect, such action causes resentment among the public generally, and among the company's employees in particular, if the plants in question are operating at less than capacity production.

And finally, and perhaps most strongly, is the criticism that Canadians are denied the opportunity to buy into those companies to which they contribute so much. A good many European parent companies, and especially English parent companies, have welcomed Canadian participation in their Canadian subsidiaries; indeed, they have encouraged it. A few American companies, too, have offered Canadian investors a part of the stock of their Canadian enterprise, and both the investor and the company itself have had cause for satisfaction in nearly all such cases.

A Financial Stake

Sometimes, when it has been suggested to an American parent company that it might make a public offering of its subsidiary's stock in Canada, the reply has been that Canadians can buy the stock of the parent company in the United States and thus have a stake in all of its international operations — including those in Canada.

On the face of it, this seems reasonable, but the Canadian wants to invest his savings in his own country and have a share in his country's economic development—or, to put it in another way, Johnny Canuck wants to have a direct financial stake in the company that makes his car or his tractor, or his wife's clothes dryer, or his children's shoes — or his soup or his beans — or the tires on his car — or the fuel in his tank — and so on.

The feeling of the Canadian is similar to that of his American neighbor; he wants to invest in companies that he is familiar with. He would like to see the stock of these companies listed on stock exchanges in Canada, where he could trade in the same way that his American neighbor can trade in the stock markets of the United States.

As far as the company is concerned, the listing of its stock on a Canadian exchange offers the same advantages that are so often associated with a stock exchange listing in this country — such as closer identity of the company with investors, with customers, with employees, with suppliers, the publicity value of frequent appearance of the company name in quotations and on the financial pages, and so on.

Canada, as you know, has stock exchanges in five of its major cities, the largest being in Toronto and Montreal. The Toronto Exchange compares favorably with the third largest stock exchange in the United States.

Now, I have tried to indicate something of the extent of American investment in Canada, and how and why Canadians react to this American influence. This I have tried to do, but in closing, I want to emphasize as forcefully as I can that what I have said is not to be taken as carping criticism, nor do I want it to appear that we in Canada are ungrateful for the great benefits that we have derived as a result of your investment in our economy.

Without U. S. capital, we could never have made such strides and advances and enjoyed the standards of living which we do today; we could never have had the development of our natural resources and the expansion in our economy.

We appreciate, too, that there are many good reasons for companies pursuing their present policies in the areas which I have mentioned above; with the limitations of this paper, I have been able to give only the Canadian side of the story.

However, I hope Americans will agree that the Canadian reaction, as I have stated it, is at least in some degree justified, and perhaps some action may be taken so that the essential and friendly cooperation in the financial and economic fields will continue to be fostered and strengthened.

*An address by Mr. Graham before the American Society of Corporate Secretaries, Inc., San Diego, Calif.

Southern Inv. Branch

MIAMI, Fla.—Southern Investment Services, Inc. has opened a branch office at 95 North Broad Street under the management of Joseph G. Barry.

Harvey Aluminum Class A Offered

A public offering of 1,000,000 shares of class A common stock of Harvey Aluminum (Incorporated), Torrance, Calif., one of the six producers of primary aluminum in the United States, is being made by an underwriting group headed by Kuhn, Loeb & Co. Inc. and Tucker, Anthony & R. L. Day. The stock is being offered at $29.25 per share. Application will be made by the company for the listing of the class A common on the New York Stock Exchange.

Lawrence A. Harvey, chairman of Harvey Aluminum, said proceeds of the new issue will be used to assist the company in its program to develop into a fully integrated producer of aluminum and aluminum mill products.

Harvey Aluminum, which was incorporated in 1942, has, in addition to its fabricating facilities at Torrance, an aluminum reduction plant at The Dalles, Oregon, which has an annual capacity of 75,000 tons of primary aluminum. The company recently completed negotiations with the U. S. Government for acquisition of an aluminum wrought products plant in Adrian, Michigan, which when in full operation will have an annual capacity of 25,000 tons. Harvey's Torrance plant now fabricates 30,000 tons annually.

The company's net sales for the six-month period ended March 31, 1961 were $41,860,000 as compared with $28,828,000 reported for the same period last year. The increase in net profit was 36%.

Harvey Aluminum became a publicly held corporation in June, 1960 when 750,000 shares of class A common stock were issued. An additional 4,000,000 shares of class B common, on which no dividends have been paid, are owned by the management. In the last quarter, a 30¢ dividend per share was paid on the class A common.

Now E. L. Raymond Assoc.

SARASOTA, Fla.—Edward L. Raymond & Associates, Inc. has been formed to continue the investment business of Edward L. Raymond, 7934 North Tamiami Trail.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Drop the Other Shoe

For more than a year now some of the best minds in the fund field have been irked by critics, constructive and obstructive, who have had their say about the trade's salesmen, officials' salaries, costs to the owners of fund shares and other facets of the business. They reasoned that it was only a question of time before the government moved in to investigate an industry which has grown from around a billion in assets 20 years ago, shortly after passage of the Investment Company Act, to well over $20 billion.

Like the fellow in the lower-floor apartment, restive fund men have been waiting for that fellow upstairs to drop the other shoe. It now appears that they will not have much longer to wait.

If the ethical standards and investment know-how of some salesmen are inimical to the public, then the sooner we find this out the better. There has been much criticism—and in high places—that not all fund salesmen know what they are about. The accusation generally has been leveled at sellers who are in the business on a part-time basis. Whether certain of these people deliberately misrepresent their product or are ignorant of the investor's needs, the result is almost invariably painful to the buyer and hurtful to the fund field.

The investigation, of course, will range far beyond salesmen and will certainly study management services, advisory fees and investment planning. The public, representing the millions who already are invested and others who have considered commitments, will have more than a passing interest in such an investigation.

After all, these people are interested in that "second income," the chance to provide for their old age, the opportunity to make their savings grow or to put junior through college.

While an investigation may yet establish that many a salesman wouldn't know a debenture from a warrant or a growth stock from a widow-and-orphan's issue, there is no lack of evidence that much of the dissatisfaction stems from investor ignorance. As brokers learned long ago, few people bothered to read a prospectus and the percentage wasn't much better with the annual report.

Hundreds of corporations and the New York Stock Exchange, with simple factual reports and guides to investing, have made major contributions to correcting this situation. The 20-year-old National Association of Investment Companies certainly could do a good deal more to acquaint the public with the function of the funds. Doubtless, such a program would not be inexpensive, but the failure to educate shareholder prospects may yet prove far more costly.

Instead of selling its 24-page fact book for 25 cents, the N.A.I.C. could strive for mass circulation by having salesmen distribute this handy guide to prospects. It is well written but doesn't seem to be well circulated.

Of course, putting out a few hundred thousand copies of this splendid booklet isn't going to cure all the ills of the country's fastest-growing business. Explaining the funds and their functions will take a lot more promotional effort than that.

The funds also may have to take a second look at their sales departments. It will not be easy to get a business, which boasts periodically of new peak sales, to alter its setup. But if the funds don't set the high standards, they may rest assured that somebody else will make the rules for them.

Investment companies for many years now have been making a sizable contribution to the economy, funneling billions of dollars into every conceivable type of enterprise. All of us have a stake in their continued growth—industrialists, investors and those who toil at the trade.

With that thought in mind, let's have our investigation and let the chips fall where they may.

The Funds Report

Adams Express Co. reports as of June 30 net assets of $104,804,619, equal to $31.47 a share, compared with $93,210,158 and $28.67 per share at the same period in 1960.

* * *

American International Corp. reports that at June 30 net assets were $45,005,249, or $18.39 per share. This compares with $39,503,457 and $16.75 a share at June 30, 1960.

* * *

At the quarter ended May 31 net asset value of **Canada General Fund** was put at $15.68 a share, up from the $14.83 three months earlier.

* * *

Canadian Fund Inc. reports net assets at June 30 amounted to $42,076,617, or $18.48 per share. This compares with $37,574,113 and $15.48 per share at Nov. 30.

* * *

Diversified Investment Fund's per share net asset value increased 15% in the six-month period ended May 31 while total net asset climbed to $106,179,140, a record high for any fiscal reporting period in this balanced fund's history. On May 31 the per share net asset value was $9.63, compared with $8.36 on Nov. 30, 1960.

* * *

Fidelity Capital Fund reported new peaks in net assets and share value at May 31, the close of its fiscal quarter. Net assets amounted to $123,547,000, or $21.11 per share, against $14,978,000, or $14.08 per share, a year earlier. The number of shareholders rose from 6,200 on May 31, 1960, to 14,000 at the end of February and reached 36,000 at the end of May.

* * *

Guardian Mutual Fund reports that at June 30, marking eight months of this fiscal year, net assets amounted to $14,777,946, or $22.87 a share. This compares with $9,018,414 and $18.58 per share at Oct. 31, 1960, close of the last fiscal year.

* * *

Net worth of **Imperial Capital Fund** increased $5,873,505 in the six months ending May 31, 1961, President Albert Sheldon, Jr., told the shareholders in the semi-annual report. Net worth of the fund at the end of the last fiscal year (Nov. 30, 1960) was $12,907,404, or $8.01 per share. Six months later, on May 31, 1961, net assets had increased to $18,780,909, or $10.07 a share. There are now 1,865,239 shares outstanding as compared with 1,611,133 shares on Nov. 30, 1960.

* * *

Combined total net assets of the **Institutional Growth Fund** and **Institutional Foundation Fund** reached a new high of $190,190,719 on May 31 and the asset value per share of the two funds increased 21.4% and 17.1%, respectively, according to the semi-annual report of Institutional Shares Ltd. The gain in total assets of the two funds represented an increase of 26% from the $150,032,293 reported at the beginning of the six-month period. Of this total, the Growth Fund accounted for $142,496,614 and the Foundation Fund $47,694,105. Asset value per share for the Growth Fund was $12.10, as compared with $10.13 on Nov. 30, 1960. Foundation Fund per share value rose to $11.83 from $10.15 during the same period.

* * *

Institutional Income Fund reported asset value per share rose from $6.06 to $6.86 during the six-month period ended May 31. Total net assets increased to $40,390,983 from $35,574,249. The period was marked by new purchases of American Motors, Pan American Sulphur, Kresge, J. J. Newberry, General Cable, American Brake Shoe, Ekco Products, Halliburton Co., Socony Mobil Oil, Atchison, Topeka & Santa Fe, Canadian Pacific Railway, Union Pacific and Pepperell Manaufacturing Co. Sales of common stock holdings included Continental Baking, National Sugar Refining, Kay Jewelry Stores, Blyvoorvitzicht Gold Mining, Inter-Mountain Telephone, Niagara Mohawk Power, New York, Chicago & St. Louis Railroad, American Tobacco and Liggett & Myers Tobacco.

* * *

Adjusted net asset value per share of **International Resources Fund** increased 24% in the six-month period ended May 31, it was stated by President Coleman W. Morton in his semi-annual report to the shareholders. On May 31, the net asset value per share was $5.80. This compares with a per-share net asset value of $4.91 on Dec. 1, 1960, the start of the current fiscal year, and with a figure of $5.45 at Feb. 28, 1961.

Total net assets were $20,144,363 at May 31, 1961, compared to $18,490,684 at the end of the previous quarter, and $15,905,674 six months ago.

* * *

Investment Trust of Boston reports that at the year ended May 31 net assets were $73,495,966, or $12.59 per share, against $60,829,523 and $10.75 a share at the close of the previous year.

* * *

Investors Selective Fund reports that at May 31 net assets were $31,110,722, or $10.18 a share, against $27,841,757 and $9.90 a share at Nov. 30, 1960.

* * *

Shareholders of **Keystone Fund of Canada Ltd.** have voted to change the name of the fund to Keystone International Fund Ltd. and to permit foreign investment without geographical limitation, it was announced by President Sidney L. Sholley. Founded in 1954 as a non-resident-owned Canadian investment company, the fund was among the first to put investment emphasis on the European common market. Originally the fund was permitted to invest up to 20% of its assets outside of Canada and the United States, but the limit was raised in two steps to 50%.

* * *

Nation-Wide Securities reports that at May 31 net assets totaled $42,090,039, or $22.69 a share. This compares with $33,387,939 and $19.41 a share a year earlier.

* * *

Nucleonics, Chemistry & Electronics Shares Inc. reports record sales for May and the first six months of this fiscal year to May 31, 1961. Sales of shares and plans for the month rose 15% to $2,430,000 and for the half-year to $13,000,000, up 86% from the like period last year. William G. Damroth, Vice-President, attributed the larger sales to an expanding market the fund is finding for its contractual plan among the middle-income wage earners "because it is geared to their practice of purchasing on the installment plan."

* * *

Spring Street Capital Co., together with a group of private investors, announced acquisition of Edlab Components Inc., which holds the stock of Edcliff Instruments Inc., of Monrovia, Calif. Total purchase price amounted to $1,600,000. The transaction was negotiated through William R. Staats & Co. Edcliff Instruments Inc. is a manufacturer of electrical and electronic equipment, including potentiometers, differential transformers, variable reluctance transducers and related items. This marks the fourth major financing program by Spring Street Capital in the past year.

Kaiser Aluminum & Chemical Corp. Common Offered

The First Boston Corp., New York City, and Dean Witter & Co., San Francisco, are offering publicly 375,000 shares of Kaiser Aluminum & Chemical Corp. common stock, par value $33\frac{1}{3}$ cents, at $40 per share. Of the total, 250,000 shares are to be sold by the corporation, and the remaining 125,000 shares are presently outstanding and are to be sold by Henry J. Kaiser Co., a wholly owned subsidiary of Kaiser Industries Corp.

Net proceeds from the sale of the shares by the company will be added to working capital and will be available for general corporate purposes. In addition, the company is negotiating the direct placement of a new series of first mortgage bonds to replace amounts borrowed under a revolving credit agreement with banks.

The company is a major producer of primary aluminum and fabricated aluminum products. In 1960, it produced approximately 24% of the primary aluminum output of the United States. Its aluminum operations include the mining and processing of bauxite, the production of alumina from bauxite, the reduction of alumina

to aluminum and the fabrication of aluminum alloys into a variety of products. The company is also a producer of refractories, dolomites and magnesias.

For the three months ended Mar. 31, 1961, net sales of the company amounted to $96,277,000 and net income applicable to common stock to $2,357,000 compared with $111,085,000 and $6,600,000, respectively, in the same period of 1960. For the calendar year 1960, net sales were $406,574,000 and net income applicable to common stock was $18,016,000.

Capitalization of the company at Mar. 31, 1961, as adjusted to reflect the sale of the new common stock, was: $355,232,000 in long - term obligations; 567,093 shares of cumulative preferred stock, par $50; 748,975 shares of cumulative convertible preference stock, par $100, and 15,393,532 shares of common stock, par 33⅓ cents.

The corporation has paid quarterly dividends since the sale to the public of shares of its common stock in June 1948. Since 1957 these have been at the annual rate of 90 cents per share.

Nail-Tone, Inc. Stock All Sold

Aetna Securities Corp., New York City and associates have announced that their offering of 86,250 common shares of Nail-Tone, Inc., at $3 per share, has been sold.

Net proceeds from the sale of the common stock will be used by the company for research and development of additional products. The balance of the proceeds will be added to the company's general funds and used as working capital for general corporate purposes, including the acquisition of additional inventory and the carrying of accounts receivable.

The company of 1515 N. E. 2nd Avenue, Miami, Fla., manufactures "Robert's Nail-Tone," a cosmetic used for grooming and polishing fingernails. The product is a prepared powder which is applied to the fingernails and toenails by buffing. It gives the nails a hard coating which lasts for several days, making the nails shine with a luster which will not peel or chip. The company claims that its product enhances the natural color of the nails, smoothing ridges and making them less conspicuous.

Nail-Tone, Inc., sells its products directly to large department stores and chains in the principal cities of the U. S.; to beauty supply jobbers; Army, Navy and Air Force Exchanges; and to drug jobbers.

Following the sale of the 86,250 common shares, outstanding capitalization will consist of 264,950 shares of 10-cent par stock.

Hydrodyne Ind. Stock All Sold

United Planning Corp., Newark, N. J., reported today (July 13) that the recent offering of 75,000 common shares of Hydrodyne Industries, Inc., at $2.50 per share, had been all sold. Proceeds will be used by the company for the purchase of equipment and inventory; marketing and sales promotion; repayment of loans; research and development; moving expenses and installation costs; preparation of catalogues and other literature; reserves and general corporate purposes.

The company of 15 Holman Blvd., Hicksville, L. I., N. Y., manufactures and sells hydraulic components.

Joseph Liston in Gary

GARY, Ind.—Joseph H. Liston is engaging in a securities business from offices at 475 Broadway.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

TRAVELERS INSURANCE COMPANY

Travelers Insurance Company is the largest and one of the most prominent multiple line insurance organizations in the country. The company was chartered in 1863 as a writer of accident insurance. Life insurance coverages were added almost immediately, and since that time operations have been diversified into all phases of insurance underwriting.

Travelers operates through the group setup with the Accident Department of Travelers Insurance Company owning the capital stock of the Travelers Life Insurance Company and Travelers Indemnity Company, which in turn, owns the capital stock of the Charter Oak Fire Insurance Company. The entire business of the latter company is reinsured by the Indemnity Company. The companies collectively comprise the Travelers Group which is licensed to write virtually all forms of insurance in all states and Canada.

Approximately 26% of Travelers premium income of $1,183.1 billion in 1960 was derived from life insurance operations. Travelers writes all forms of ordinary and group life insurance and annuity coverages on a nonparticipating basis. It is the largest writer of life insurance among the stock companies and ranks among the top ten industry leaders, which are primarily mutual companies, in premium volume, admitted assets, and insurance in force. Operations are carried on through an extensive branch office and agency system throughout the United States and Canada. An estimated 70% of the life insurance premium volume is conducted through the company's 83 branch offices. Because of its well established operations, Travelers is in an excellent position to offer agents numerous underwriting, educational, and service advantages, thereby attracting a superior group of agents which develops a superior quality of insured risks.

Group life insurance is more significant to Travelers than it is to most life insurance companies, amounting to 78% of the $27 billion insurance in force and 70% of life premiums written in 1960. Profit margins are generally lower on group coverages than individual policies but the business has been very rewarding to Travelers over the years through the company's excellent expense control that is a characteristic of all its underwriting operations. A large portion of the group business is written through retrospective rating.

Selected Statistics — Growth and Underwriting Results

Year	Premiums Written	Total Admitted Assets	Capital Funds	Life Insurance in Force: Individual	Group	Total
		(Millions)				
1956	$858.5	$3,145.9	$331.9	4,891.3	13,826.4	18,777.7
1957	991.9	3,311.5	322.5	5,129.4	16,572.2	21,701.6
1958	1,068.6	3,509.6	352.7	5,345.4	17,702.1	23,047.6
1959	1,111.7	3,681.7	370.5	5,770.1	19,402.3	25,172.4
1960	1,183.1	3,830.1	377.4	6,071.6	20,889.8	26,961.4

	Approx. Price Range	Est.* Total Earnings	Est.* Liquidating Value	Dividend	Un'writing† Prof. Margin
	(Per Share)				
1956	$85 - 63	$6.16	$66.44	$1.10	2.8%
1957	87 - 68	4.39	68.61	1.10	—1.6
1958	103 - 73	4.70	74.82	1.10	—0.4
1959	102 - 78	5.79	80.68	1.25	0.6
1960	94 - 73	7.18	85.34	1.40	2.4
1961‡	127 - 92				

*Adjusted for equity in unearned premium reserve and life insurance in force.
† Fire and Casualty Insurance only.
‡To date.

Accident and health insurance now represents the largest individual line of insurance written by the Travelers Group. Almost 90% of this business represents group volume, primarily written on a retrospective rating basis. Group accident and health insurance, which is generally written in conjunction with group life insurance, is very competitive and returns only a modest profit margin. Many companies in the field have lost heavily in this line in recent years as hospital and medical costs have substantially increased, but Travelers' group accident and health operations have been consistently profitable.

Travelers is the largest writer of fire and casualty insurance in the country and has had an impressive record of growth. All fire and casualty coverages are written with the emphasis on the liability lines. A high quality agency system is maintained, and in addition the company utilizes its life insurance branch offices for the sale of fire and casualty lines. It is estimated that 20% of the fire and casualty volume is produced through the latter source. This business is subject to strict company control and is generally of superior quality.

Automobile insurance is the most important of the fire and casualty lines written by Travelers, accounting for approximately 25% of total premium volume in 1960. Results have been unsatisfactory for the company and the industry in recent years as inadequate rates and increasing severity and frequency of losses have resulted in substantial underwriting losses. In May, 1959, Travelers' management announced that it was withdrawing its membership from the National Bureau of Casualty Underwriters and National Automobile Underwriters Association in order to try out an experimental automobile merit rating plan of its own in several states. Similar plans have subsequently been adopted by most other insurance companies. Travelers' plan has been successful in meeting the competition of the direct writers as well as being profitable and is currently in use in 20 states. An overall underwriting profit on automobile lines was recorded by Travelers in 1960.

Travelers is in excellent financial condition. The company's surplus position in relation to its liabilities is the strongest of any major life insurance company and has consistently grown through the investment of retained earnings. Assets consist primarily of high-grade bonds and mortgages as management has followed a conservative investment policy.

New investments have principally been concentrated in mortgages at a return generally in excess of 6%. The over-all return on invested assets increased from 3.81% (pre-tax) in 1959 to 3.94% in 1960 and is expected to be in excess of 4% in the current year.

Travelers' earnings have declined from their 1954 peak because of the deterioration in fire and casualty underwriting results, although income from investments and life operations have been steadily increasing. Only in 1958 did the company's life earnings fail to record an increase over the results of the previous year, reflecting a less favorable mortality experience and higher taxes in that year. The well-balanced insurance operations tend to stabilize year to year results.

Travelers increased its estimated earnings from $5.79 to $7.18 per share in 1961 primarily through improved fire and casualty operations. A further gain to record levels is anticipated for 1961. During the first quarter the Travelers Indemnity Co. recorded an underwriting profit margin of 7%, the best performance among the major companies in the insurance field, as premiums written advanced 20%. Full year earnings for the Travelers Group should reach $9 - $10 per share.

Travelers, with its broad experience as a writer of all insurance lines, is in an excellent position to capitalize on the current trend to package policies and "one-stop" buying in the insurance industry. The Travelers agent is able to offer to the public complete insurance coverages — life, accident, liability, automobile, and fire — with premiums payable by convenient monthly installments, with obvious competitive advantages. Few insurance companies are presently in a position to duplicate this service.

The common stock of Travelers Insurance Co. is currently selling at 126¼ bid, an all-time high for the market value of the stock. At that price, a yield of 1.3% is obtained on the present dividend of $1.60 per year. The common stock is selling at a premium of 45% over the presently estimated liquidating value and at 17.6 times the adjusted earnings for 1960. There are ten million shares of stock outstanding which are actively traded in the over-the-counter market.

Alside, Inc. Stock Offered

Reynolds & Co., Inc., New York City heads an underwriting group which is offering 200,000 shares of Alside, Inc., common stock to the public at $31 per share.

The common was converted, on a share-for-share basis, from closely-held, class B common stock. Purposes of the offering is to give Alside a public distribution of 500,000 shares, thereby enabling it to apply for listing on the New York Stock Exchange.

Alside common stock is now traded in the over-the-counter market. The company's capitalization, when this latest offering is completed, will consist of the 500,000 shares of common stock and 1,364,480 shares of class B common stock.

Alside believes it is the largest manufacturer and distributor of aluminum siding, a product applied to the exterior walls of new and existing homes. It also makes and distributes vertical paneling and a wide range of aluminum accessories. The market for these products is in home improvement chiefly and, to an increasing extent, in new home construction.

Through its recently organized wholly-owned subsidiary, Alside Homes Corp., the company plans to offer an "all aluminum" mass produced modern manufactured home. The homes, which will be fully finished and include all utilities and fixtures, will be offered in several modern designs and with numerous possible variations in floor plans. The company's plans for entry into this field calls for initial mass-production schedules to be met by the end of 1962. The company will construct additional plant and manufacturing facilities to contain approximately 300,000 square feet, and it is planned that the new facilities will be fully automated.

The company, incorporated in 1947, has headquarters in Akron, Ohio, and factory depots in 20 cities. A recently-organized subsidiary, Alside Acceptance Corp. finances consumer purchases of the parent firm's products.

For its fiscal year ended Sept. 30, 1960, Alside reported record high sales and earnings: $23,041,045 and $1,602,537, respectively. This compared with sales of $19,674,534 and profits of $1,204,046 for fiscal 1959, which had also been a record year.

In the six months ended March 30, 1961, profits and sales established a first-half record for the company. It earned $653,458 on sales of $9,019,683. This compared with income of $475,296 and sales of $8,649,581 in the first half of fiscal 1960.

N. Y. Commerce Chamber Elects to Committee

The New York Chamber of Commerce announced the election to its House Committee of Lewis C. Sheridan, of White, Weld & Co.; Dwight L. Crocket, manager, investment research department of The First Boston Corp.; Preston M. Harrington Jr., President of Bishop Paper Co., Inc.; and Joseph H. McMullen, senior partner of McMullen & Hard.

C. H. Minners, Executive Chairman of the Bankers Federal Savings and Loan Association, was reelected Chairman of the Committee.

STATE OF TRADE AND INDUSTRY

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production in the third and fourth quarters.

The magazine says the advance ordering has two points of significance to users:

(1) It means lengthened delivery dates for many products, particularly sheets;

(2) Price softness, which characterized the first-half steel market, will be squeezed out by the advance ordering.

To date, automakers have been responsible for most of the advance ordering for August. Apparently they are ignoring the possibility of an auto strike after the contract with the United Auto Workers runs out Aug. 31.

But other steel users, who sense improved business conditions this fall, are also taking some long-range soundings of their steel needs.

The longer look at steel requirements is also reflected in the outlook for the remainder of July. This month is also shaping up stronger than was indicated earlier. Many steel users are taking more steel this month than they will use up in this vacation period. The effect is a lengthening out of their own inventories.

As a result, July, which could have been written off because of a multitude of seasonal factors, will now show a drop of less than 10% from June. In fact, production of steel this summer will probably show up better than consumption as both mills and consumers try to level out their pattern of ordering and production.

Steel Prices Likely To Be Raised $4 to $5 a Ton Around Oct. 1

Steel prices will probably be increased an average of $4 to $5 a ton around Oct. 1, *Steel* magazine predicted.

It says a pickup in business, accompanied by an extension in delivery periods, is expected this autumn and the developments could give the producers courage to increase prices.

Any price rise will be on selected products, not across the board, *Steel* says.

Keen domestic or import competition would argue against an increase on stainless reinforcing bars, merchant wire, and some manufacturers' wire items.

Under less competitive pressure are such tonnage products as sheets, plates, and structurals. Likely candidates for increases, they make up about 47% of mill shipments.

Revisions likely will be applied to base prices rather than price extras (additional charges made for special quantities or services).

A $4 to $5 a ton price boost would compensate producers for only part of the inflation in production costs stemming from higher employment costs. One producer says that for each penny an hour rise in steelworker wages other steel making costs go up 1.5 cents.

The last adjustment (averaging $4.50 a net ton in base prices) was in August, 1958, a month after a wage increase to steelworkers. Another wage hike followed on Dec. 1, 1960, and a third is scheduled for Oct. 1, 1961. In addition, fringe benefits have gone up.

Since the 1958 price hike, the average price of finished steel has gone down 0.6% (mostly due to recent price cuts) while the hourly wages and benefits per steel production employee have risen 10%. This rise in steelworker employment costs far exceeds the 3% gain in the cost of living since August, 1958.

Net profits per sales dollar in the steel industry have declined each year except one since 1955. In 1957, there was an infinitesimal profit increase.

Steel Production Data for the Week Ended July 8

According to data compiled by the American Iron and Steel Institute, production for week ended July 8, 1961, was 1,779,000 tons (*95.5%), 7.6% under output of 1,925,000 tons (*103.3%) in the week ended July 8.

Production this year through July 8 amounted to 46,850,000 tons (*93.1%) or 23.9% below the 61,589,000 tons (*122.4%) in the period through July 9, 1960.

The institute concludes with Index of Ingot Production by Districts, for week ended July 8, 1961, as follows:

	*Index of Ingot Production for Week Ending July 8, 1961
North East Coast	85
Buffalo	80
Pittsburgh	82
Youngstown	74
Cleveland	106
Detroit	125
Chicago	111
Cincinnati	105
St. Louis	80
Southern	105
Western	116
Total industry	95.5

*Index of production based on average weekly production for 1957-1959.

Auto Producers in Final Month For 1961 Model Cars

Production of U. S. passenger cars, heading into the final month of 1961 model assembly, declined sharply this week as an extended Independence Day holiday saw the closing of most auto plants Monday followed by an industry-wide halt on the "4th." *Ward's Automotive Reports* said.

The statistical agency said output this week would reach 86,571, a 31% drop from the 125,297 cars turned out in the previous week and comparing with 89,769 for the same week of last year.

Ward's said that an earlier end to this year's model making, with a pronounced ebb in production commencing about mid - month, will cause July production to fall far short of the comparable 1960 month.

To date, the industry has produced 5,040,968 1961 model cars, 7.8% fewer than the 5,468,817 1960 model cars turned out by this time last year.

Ward's tabulated production for the first half of 1961 at 2,736,719, as compared with 3,809,494 for the same period a year earlier, a decline of 28.2%.

Of this week's output, General Motors accounted for 50.4%; Ford Motor Co. 29.2%; Chrysler Corp. 11.7%; American Motors Corp. 8.7%.

Business Failures Drop in Holiday Week

Commercial and industrial failures fell to 220 in the holiday-shortened week ended July 6 from 326 in the preceding week, reported Dun & Bradstreet, Inc. At the lowest level since December, 1959, casualties were less numerous than a year ago when 271 occurred or in the comparable week of 1959 when there were 237. However, failures remained 6% above the pre-war level of 208 in 1939.

Casualties involving liabilities of $100,000 or more, dipped to 32 from 45 last week but continued to exceed the 1960 toll of 29 in this size group. A major portion of the week's downturn centered in failures with losses under $100,000. They dropped to 188 from 281 a week earlier and 242 a year ago.

Thirty Canadian failures were recorded as compared with 54 in the preceding week and 33 in the similar week a year ago.

Electric Output 5.4% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 8, was estimated at 14,133,000,000 kwh. according to the Edison Electric Institute. Output was 1,050,000,000 kwh. below that of the previous week's total of 15,183,000,000 kwh. and 725,000,000 kwh., or 5.4% above that of the comparable 1960 week.

Lumber Shipments Were 25.1% Behind 1960 Volume

Lumber production in the United States in the week ended July 1, totaled 209,740,000 board feet compared with 240,648,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 237,909,000 board feet.

Compared with 1960 levels output dropped 11.8%, shipments were down 25.1%, and orders fell 13.8%.

Following are the figures in thousands of board feet for the weeks indicated:

	July 1 1961	June 24 1961	July 2 1960
Production	209,740	240,648	237,909
Shipments	207,080	236,844	276,448
Unfilled orders	201,740	250,953	233,985

Freight Car Loadings in July 1 Week Were 11.1% Below Preceding Week

Loading of revenue freight in the week ended July 1, which included the first week of the coal miners' annual vacation, totaled 533,573 cars, the Association of American Railroads announced. This was a decrease of 66,428 cars or 11.1% below the preceding week.

The loadings represented a decrease of 14,320 cars or 2.6% below the corresponding week in 1960, and a decrease of 40,529 cars or 7.1% below the corresponding week in 1959.

There were 11,914 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended June 24, 1961 (which were included in that week's over-all total). This was an increase of 678 cars or 6% above the corresponding week of 1960 and an increase of 2,777 cars or 30.4% above the 1959 week.

Cumulative piggyback loadings for the first 25 weeks of 1961 totaled 274,380 for an increase of 9,738 cars or 3.7% above the corresponding period of 1960 and 79,481 cars or 40.8% above the corresponding period in 1959. There were 58 class I U. S. railroad systems originating this type traffic in the current week compared with 53 one year ago and 50 in the corresponding week in 1959.

Intercity Truck Tonnage Was 1.7% Ahead of the 1960 Week

Intercity truck tonnage in the week ended July 1, was 1.7% ahead of the volume in the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was 2.9% above the previous week of this year.

This is the third consecutive week in which truck tonnage led that of the previous year. Recent weeks have been the first period during 1961 in which traffic has led that of a year ago. The latest gains are partially attributable to unusual shipments made in anticipation of a possible strike in Western states — the current labor contract having expired June 30 before negotiations for a new contract were complete.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Wholesale Commodity Price Index Dips Fractionally in Latest Week

There was a fractional decline last week in the general wholesale commodity price level, reflecting lower prices on wheat, sugar, hogs, steers, rubber and steel scrap. In contrast, prices on corn, rye oats, flour, hides, and cotton showed slight increases. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., stood at 271.37 (1930-32=100) on July 10, compared with 271.71 a week earlier and 270.15 on the corresponding date a year ago.

Wholesale Food Price Index Down Fractionally in Latest Week

After two weeks of increases, the wholesale food price index, compiled by Dun & Bradstreet, Inc., slipped fractionally from a week earlier, but it was up somewhat from a year ago. On July 10 the index stood at $5.93, down 0.2% from the prior week's $5.94, but up 0.2% from the $5.92 of the similar week last year.

Higher in wholesale price this week were corn, oats, barley, eggs, rye and potatoes. On the down side were flour, wheat, hams, lard, milk, steers and hogs.

The Dun & Bradstreet, Inc., wholesale Food Price index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retail Trade Fractionally Below Year Ago

Despite good weather and some early summer clearance sales promotions, retail trade faltered in the week ended July 12 behind a week earlier, and it was down fractionally from the similar period a year ago. Declines from last year occurred in women's apparel, furniture, some appliances, and new passenger cars, but volume in men's apparel, linens, draperies, and food products remained close to a week earlier.

Nationwide Department Store Sales Decreased 1% Below The 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 1, 1961, showed a decline of 1% for the like period last year. For the week ended June 24,, an increase of 2% was reported. The four-week period ended July 1, 1961, sales advanced 4% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended July 1, sales were unchanged during the same period last year. In the preceding week ended June 24, sales showed a 3% increase over the same period last year. For the four weeks ending July 1 a 5% increase was reported above the 1960 period, while from Jan. 1 to July 1, showed a 2% increase over last year's sales.

Varco Indust. Stock Offered

Omerga Securities Corp., New York City, is making a public offering of 100,000 common shares of Varco Industries, Inc., at $3 per share. Proceeds will be used by the company for the repayment of debt, purchase of additional inventory, moving expenses and working capital.

The company of 815 Nash St., El Segundo, Calif., manufactures and sells automobile replacement parts for national distribution. Its products include power steering units, automatic window lifts, convertible top cylinder parts and miscellaneous automative and industrial items. The company was incorporated in Delaware on May 1, 1961 as a successor to Varco Products, a proprietorship owned by Allan L. Levine, Marshall N. Fisher and Louis E. Litt.

Slater Electric Class A Offered

The initial public sale of the class A stock of Slater Electric, Inc., is being made with an offering of 150,000 shares at $6 per share by C. E. Unterberg, Towbin Co.

Of the total, 100,000 shares are being sold for the company and 50,000 shares for the account of a selling stockholder.

Net proceeds will be used by the company to reduce outstanding notes, to provide machinery and equipment for the manufacture of semi-conductors in a proposed addition to the plant leased by the company, with the balance being added to working capital.

Slater Electric Inc., Sea Cliff, L. I., N. Y., manufactures electrical equipment, principally wiring devices and lighting controls, designed for use in industrial, commercial and office buildings and in apartments and residences. It sells an extensive line of wiring devices, including switches, receptacles and wall plates of all kinds, over 600 items being catalogued and carried in sustained stocks. Slater's lighting controls operate on electronic principles using semi-conductors to regulate the amount of current allowed to flow through the switch to incandescent lamps. The company has designed and recently commenced the manufacture of its own semi-conductors.

For the fiscal year ended Nov. 30, 1960, the company had net sales of $2,784,093 and net income of $96,647. For the quarter ended Feb. 28, 1961, net sales were $747,462 and net income $37,003.

Harvey House Stock Offered

Michael G. Kletz & Co., Inc., is head of an underwriting group which is offering 150,000 shares of common stock of Harvey House, Inc., at $3 per share. The offering marks the initial public sale of the company's common shares. Approximately 9,800 shares of the total number offered are being reserved for business associates and employees of the company, their relatives and certain other persons.

Net proceeds from the financing will initially be added to the company's general funds and subsequently used for the publication of new book titles; for re-run printing of certain books; for advertising and sales promotion; and for repayment of outstanding debt. The balance will be added to working capital.

Harvey House, Inc., Irvington-on-Hudson, N. Y., is engaged in the publication of educational books, science and educational kits and related educational material for children from pre-school age through high school; general trade books including juvenile fiction as well as juvenile and adult nonfiction; and law case digest outlines and text books for law students.

The company markets its publications to schools, libraries, book-stores, toy shops, chain stores and other outlets.

For the fiscal year ended March 31, 1961, Harvey House, Inc. had sales of $401,595 and net earnings of $65,691, equal to $.306 per common share, based on 215,000 shares outstanding. Upon completion of current financing, outstanding capitalization of the company will consist of 365,000 shares of common stock and $30,225 of sundry debt.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	July 16	60.9	66.0	70.0	53.1
Equivalent to—					
Steel ingots and castings (net tons)	July 16	1,779,000	1,925,000	2,042,000	1,513,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	June 30	6,888,060	7,096,760	7,060,710	6,810,560
Crude runs to stills—daily average (bbls.)	June 30	7,789,000	7,865,000	8,360,000	8,295,000
Gasoline output (bbls.)	June 30	27,668,000	27,275,000	29,060,000	29,929,000
Kerosene output (bbls.)	June 30	2,040,000	2,276,000	2,197,000	2,557,000
Distillate fuel oil output (bbls.)	June 30	12,151,000	11,925,000	12,474,000	12,959,000
Residual fuel oil output (bbls.)	June 30	5,185,000	5,395,000	6,524,000	5,988,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	June 30	200,175,000	203,399,000	210,475,000	201,716,000
Kerosene (bbls.) at	June 30	29,837,000	29,580,000	27,798,000	27,549,000
Distillate fuel oil (bbls.) at	June 30	111,607,000	105,956,000	95,235,000	111,722,000
Residual fuel oil (bbls.) at	June 30	47,454,000	46,091,000	44,954,000	41,239,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 1	533,573	600,001	531,267	547,893
Revenue freight received from connections (no. of cars)	July 1	474,929	493,285	472,080	489,908
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 6	$379,200,000	$456,700,000	$662,000,000	$518,700,000
Private construction	July 6	158,500,000	177,200,000	299,100,000	250,900,000
Public construction	July 6	220,700,000	279,500,000	362,900,000	267,800,000
State and municipal	July 6	110,100,000	230,800,000	243,400,000	179,500,000
Federal	July 6	110,600,000	48,700,000	119,500,000	88,300,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 1	1,860,000	*9,045,000	7,495,000	1,836,000
Pennsylvania anthracite (tons)	July 1	Not Avail.	408,000	302,000	68,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	July 1	125	127	132	126
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 8	14,133,000	15,183,000	15,004,000	13,408,000
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.	July 6	220	326	349	271
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	June 30	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	June 30	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	June 30	$36.83	$37.17	$36.83	$31.00
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 5	30.600c	30.600c	30.600c	32.600c
Export refinery at	July 5	27.700c	28.350c	29.250c	30.875c
Lead (New York) at	July 5	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	July 5	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	July 5	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	July 5	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	July 5	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	July 5	117.750c	119.125c	111.250c	102.375c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 11	87.08	87.58	87.82	86.61
Average corporate	July 11	86.24	86.65	87.18	85.20
Aaa	July 11	90.06	90.48	91.34	89.78
Aa	July 11	88.67	88.95	89.64	87.59
A	July 11	85.59	85.85	86.38	84.94
Baa	July 11	81.29	81.54	81.90	78.90
Railroad Group	July 11	83.79	84.17	84.68	83.15
Public Utilities Group	July 11	87.59	87.99	88.67	85.59
Industrials Group	July 11	87.72	87.72	88.40	86.91
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 11	3.93	3.87	3.84	3.88
Average corporate	July 11	4.69	4.66	4.62	4.77
Aaa	July 11	4.41	4.38	4.32	4.43
Aa	July 11	4.51	4.49	4.44	4.59
A	July 11	4.74	4.72	4.68	4.79
Baa	July 11	5.08	5.06	5.03	5.28
Railroad Group	July 11	4.88	4.85	4.81	4.93
Public Utilities Group	July 11	4.59	4.56	4.51	4.74
Industrials Group	July 11	4.58	4.58	4.53	4.64
MOODY'S COMMODITY INDEX	July 11	371.3	372.0	368.1	377.0
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 1	307,840	338,921	317,081	317,772
Production (tons)	July 1	335,511	336,864	300,899	308,618
Percentage of activity	July 1	95	95	84	90
Unfilled orders (tons) at end of period	July 1	426,706	451,761	447,581	450,185
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 7	113.90	113.63	113.65	109.97
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	June 16	2,493,330	3,109,370	3,791,030	2,912,540
Short sales	June 16	404,960	485,410	609,150	618,890
Other sales	June 16	1,988,880	2,547,980	3,272,320	2,201,840
Total sales	June 16	2,393,840	3,033,390	3,881,470	2,820,730
Other transactions initiated off the floor—					
Total purchases	June 16	275,260	488,280	567,530	437,770
Short sales	June 16	21,700	42,600	17,600	117,000
Other sales	June 16	383,910	440,210	556,480	370,750
Total sales	June 16	405,610	482,810	574,080	487,750
Other transactions initiated on the floor—					
Total purchases	June 16	864,690	982,652	1,087,772	780,025
Short sales	June 16	101,250	120,230	104,160	113,750
Other sales	June 16	751,087	831,896	1,158,136	690,895
Total sales	June 16	852,337	952,126	1,262,296	804,645
Total round-lot transactions for account of members—					
Total purchases	June 16	2,633,280	4,580,302	5,446,332	4,130,335
Short sales	June 16	527,910	648,240	730,910	849,640
Other sales	June 16	3,123,877	3,820,086	4,986,936	3,263,485
Total sales	June 16	3,651,787	4,468,326	5,717,846	4,113,125
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	June 16	1,705,192	2,026,451	2,435,224	2,056,780
Dollar value	June 16	$93,323,733	$113,739,038	$131,955,364	$105,240,348
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	June 16	1,720,052	2,104,429	2,561,919	1,936,738
Customers' short sales	June 16	10,307	8,387	6,903	7,874
Customers' other sales	June 16	1,709,745	2,096,042	2,555,016	1,928,864
Dollar value	June 16	$88,402,229	$108,594,583	$129,838,352	$91,492,427
Round-lot sales by dealers—					
Number of shares—Total sales	June 16	545,070	664,650	813,570	556,820
Short sales	June 16	------	------	------	------
Other sales	June 16	545,070	664,650	813,570	556,820
Round-lot purchases by dealers—Number of shares	June 16	499,160	575,920	650,530	670,970
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	June 16	659,570	754,840	817,550	924,740
Other sales	June 16	16,131,700	19,592,830	24,627,470	17,511,080
Total sales	June 16	16,791,270	20,347,670	25,445,020	18,435,820
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	July 4	118.9	118.8	118.9	119.5
Farm products	July 4	86.7	86.4	86.9	88.0
Processed foods	July 4	107.8	107.5	107.5	107.6
Meats	July 4	93.2	91.7	92.2	96.9
All commodities other than farm and foods	July 4	127.7	127.7	127.8	128.4

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:			
Steel ingots and steel for castings produced (net tons)—Month of May	8,978,000	7,584,687	8,830,472
Shipments of steel products (net tons)—Month of May	6,047,691	5,133,470	6,272,432
AMERICAN ZINC INSTITUTE, INC.—Month of June:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	72,816	73,632	76,723
Shipments (tons of 2,000 pounds)	78,050	79,599	54,075
Stocks at end of period (tons)	207,820	213,054	187,686
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of May:			
New England	$27,979,340	$32,596,542	$25,014,047
Middle Atlantic	246,839,509	219,243,143	118,206,939
South Atlantic	59,224,342	40,751,128	62,786,697
East Central	138,709,333	109,460,860	173,179,788
South Central	136,052,995	104,298,311	99,401,141
West Central	55,951,858	47,298,033	35,507,015
Mountain	28,516,562	26,482,129	30,999,176
Pacific	150,967,922	135,395,869	124,765,963
Total United States	$844,241,861	$715,526,015	$669,860,766
New York City	179,626,087	167,345,165	82,781,385
Total outside New York City	$664,615,774	$548,180,850	$587,079,381
COKE (BUREAU OF MINES)—Month of May:			
Production (net tons)	4,312,988	*3,864,466	5,349,816
Oven coke (net tons)	4,234,203	*3,797,001	5,271,154
Beehive coke (net tons)	78,785	67,465	78,662
Oven coke stocks at end of month (net tons)	4,571,353	*4,726,113	3,783,199
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of May 31:			
Total consumer credit	$54,390	$53,972	$52,991
Instalment credit	42,127	41,988	41,125
Automobile	17,242	17,200	17,431
Other consumer goods	10,602	10,585	10,339
Repairs and modernization loans	2,943	2,922	2,865
Personal loans	11,340	11,281	10,490
Noninstalment credit	12,263	11,984	11,866
Single payment loans	4,524	4,402	4,313
Charge accounts	4,274	4,096	4,342
Service credit	3,465	3,486	3,211
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1947-49 Average=100—Month of June:			
Adjusted for seasonal variation	149	*144	145
Without seasonal adjustment	141	*140	137
MANUFACTURERS' INVENTORIES & SALES Month of May (millions of dollars):			
Inventories—			
Durables	$30,700	$30,600	$32,300
Nondurables	23,100	23,100	22,700
Total	$53,700	$53,700	$55,000
Sales	31,500	29,400	30,800
METAL PRICES (E. & M. J. QUOTATIONS)—June:			
Copper—			
Domestic refinery (per pound)	30.605c	29.985c	32.600c
Export refinery (per pound)	28.701c	29.505c	30.290c
††London, prompt (per long ton)	£236.483	£242.409	£250.750
††Three months, London (per long ton)	£239.545	£243.517	£244.125
Lead—			
Common, New York (per pound)	11.000c	11.000c	12.000c
Common, East St. Louis (per pound)	10.800c	10.800c	11.800c
††London, prompt (per long ton)	£64.699	£66.645	£73.375
††Three months, London (per long ton)	£65.943	£67.881	£74.033
Zinc—			
East St. Louis (per pound)	11.500c	11.500c	13.000c
§§Prime Western, delivered (per pound)	12.000c	12.000c	13.500c
††London, prompt (per long ton)	£79.045	£82.395	£90.595
††London, three months (per long ton)	£80.054	£82.733	£90.193
Silver and Sterling Exchange—			
Silver, New York (per ounce)	91.375c	91.375c	91.375c
Silver, London (per ounce)	79.375d	79.375d	79.250d
Sterling Exchange (check)	$2.78981	$2.79396	$2.80268
Tin, New York Straits	114.648c	110.108c	101.347c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$200.455	$203.000	$211.273
Antimony—			
¶New York, boxed (per pound)	36.250c	26.250c	32.590c
Laredo, bulk (per pound)	32.500c	32.500c	29.000c
Laredo, boxed (per pound)	33.000c	33.000c	29.500c
Aluminum—			
99% grade ingot weighted avge. (per lb.)	26.000c	26.000c	28.100c
99% grade primary pig export	23.250c	23.250c	26.000c
**Nickel	74.330c	74.000c	74.000c
Bismuth (per pound)	$2.25	$2.25	$2.25
Platinum, refined (per pound)	$82.000	$82.000	$82.000
Cadmium (per pound, delivered ton lots)	$1.70000	$1.60000	$1.40000
(Per pound, small lots)	$1.60000	$1.70000	$1.50000
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.50000
RAILROADS EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of May:			
Total operating revenues	$778,512,688	$714,879,960	$829,794,679
Total operating expenses	617,279,436	584,130,708	648,434,522
Taxes	86,831,458	76,750,965	89,636,837
Net railway operating before charges	40,777,688	22,630,438	61,314,000
Net income after charges (estimated)	26,000,000	4,000,000	47,000,000
U. S. GOVT. STATUTORY DEBT LIMITATION As of June 30 (000's omitted):			
Total face amount that may be outstanding at any time	$293,000,000	$293,000,000	$295,000,000
Outstanding—			
Total gross public debt	288,970,938	290,145,640	286,330,760
Guaranteed obligations not owned by the Treasury	240,215	225,396	139,841
Total gross public debt & guaranteed obligations	$289,211,154	$290,371,037	$286,470,602
Deduct—Other outstanding public debt obligations not subject to debt limitation	349,291	396,445	405,638
Grand totat outstanding	$288,861,862	$289,975,591	$286,064,964
Balance face amount of obligations issuable under above authority	4,138,137	2,925,408	8,935,035
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of June 30	$289,211,154	$290,371,037	$286,470,602
General funds balance	6,694,119	5,161,665	8,004,740
Net debt	$282,517,035	$285,209,372	$278,465,862
Computed annual rate	3.072%	3.075%	3.297%

*Revised figure. †Estimated totals based on reports from companies accounting for 96% of primary, 95% of secondary tin consumption in 1957 and 97% of total stocks end of 1957. ¶Domestic five tons or more but less than carload lot boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **F.o.b. Fort Colburne, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

A.G.E. Funds, Inc.
June 30, 1961 filed 200 co-ownership participations in the company's 1961 exploration and development fund H. **Price**—$5,000 per unit. **Proceeds**—To evaluate, acquire and develop oil and gas leaseholds. **Office**—120 South La Salle St., Chicago, Ill. **Underwriter**—None.

A. T. U. Productions, Inc.
June 1, 1961 ("Reg. A.") 100,000 shares of common stock (par 10 cents). **Price**—$3. **Business**—TV film productions. **Proceeds**—For general corporate purposes. **Office**—130 W. 57th St., New York, N. Y. **Underwriter**—Marshall Co., New York.

Abbey Automation Systems, Inc.
June 6, 1961 filed 100,000 common shares. **Price** — $3. **Business**—The design manufacture and sale of automation equipment for industry. **Proceeds**—For new facilities, sales program, demonstration laboratory and working capital. **Office**—37-05 48th Ave., Long Island City, N. Y. **Underwriter**—John Joshua & Co., Inc., New York.

Accesso Corp.
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

A-Drive Auto Leasing System, Inc.
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

Adelphi Electronics, Inc.
May 29, 1961 ("Reg. A.") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Distributes electronic products. **Proceeds**—To repay a loan, acquire new quarters, for expansion, inventory, and working capital. **Office**—142 Mineola Blvd., Mineola, N. Y. **Underwriter**—H. B. Crandall Co., New York.

★ Admiral Photo Corp.
June 23, 1961 ("Reg. A") 60,000 common shares (par 10 cents) of which 54,000 are to be offered by the company and 6,000 by the underwriter. **Price**—$5. **Proceeds**—For furniture, fixtures and equipment and repayment of debt. **Office**—1407 Broadway, New York. **Underwriter**—D. Klapper Associates, Inc., New York.

• Advanced Electronics Corp.
May 31, 1961 ("Reg. A") 150,000 class A shares (par 10 cents). **Price**—$2. **Business**—Designs and manufactures radio telemetry systems, frequency filters and power supplies for the missile, rocket and space programs. **Proceeds**—For research and development, equipment, repayment of loans and working capital. **Office**—2 Commercial St., Hicksville, N. Y. **Underwriter** — Edward Hindley & Co., New York City.

Advanced Scientific Instruments, Inc.
May 19, 1961 filed 875,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company was formed in March, 1961 to engage in the development, manufacture, sale and lease of electronic, electro-mechanical and electro-optical equipment. **Proceeds** — For equipment, developmental work and working capital. **Office**—1208 Title Insurance Building, Minneapolis, Minn. **Underwriter**—Naftalin & Co., Minneapolis. **Offering**—Expected in late August.

Aileen Inc.
June 27, 1961 filed 200,000 outstanding common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—29 W. 38th St., New York City. **Underwriter**—Goodbody & Co., New York.

★ Ainslie Corp.
June 29, 1961 ("Reg. A") 75,000 common shares (par $1). **Price**—$4. **Proceeds**—For purchase of equipment, repayment of debt and working capital. **Office**—531 Pond St., Braintree, Mass. **Underwriter** — First Weber Securities Corp., Boston, Mass.

Air Master Corp.
May 26, 1961 filed 200,000 shares of class A common stock, of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street, and Allegheny Avenue, Philadelphia, Pa. **Underwriter**—Francis I. du Pont & Co., New York City (managing).

Airtronics International Corp. of Florida
June 29, 1961 filed 199,000 common shares of which 110,000 shares are to be offered by the company and 89,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of electronic, mechanical and electro-mechanical rocket and missile system parts and components. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—6900 West Road 84, Fort Lauderdale, Fla. **Underwriters** — Stein Bros. & Boyce, Baltimore & Vickers, MacPherson & Warwick, Inc. (managing). **Offering**—Expected in late August.

★ All Star World Wide, Inc.
July 7, 1961 filed $250,000 of 5% convertible subordinated debentures due 1971 and 150,000 common shares. **Price**—For debentures, at par; for stock, $5. **Business**—The operation of bowling centers. **Proceeds**—For expansion and general corporate purposes. **Office** — 100 W. Tenth St., Wilmington, Del. **Underwriters**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (managing).

Alix of Miami, Inc.
June 8, 1961 filed 100,000 class A common shares, of which 70,000 are to be offered by the company and 30,000 by stockholders. **Price**—$9. **Business**—Manufacturers of women's wear. **Proceeds**—For working capital. **Office**—2700 N. W. 5th Ave., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston (managing).

Allstate Bowling Centers, Inc. (7/24-28)
May 19, 1961 filed 300,000 shares of capital stock, of which 200,000 shares will be sold for the account of the company and 100,000 shares for All-State Properties, Inc., parent. The stock will be offered for subscription by holders of All-State Properties on the basis of one share for each nine shares held. **Price**—$10. **Business**—The construction and operation of bowling centers in several states. **Proceeds** — For expansion and working capital. **Office**—30 Verbena Avenue, Floral Park, N. Y. **Underwriter**—Bear, Stearns & Co., New York City.

Almar Rainwear Corp.
April 28, 1961 filed 120,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of plastic film raincoats and related items for men, women and children. **Proceeds**—For inventory, taxes, accrued sales commissions and working capital. **Office**—Washington, Ga. **Underwriter**—D. H. Blair & Co., New York City (managing).

Amcrete Corp.
May 4, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — The sale of pre-cast and pre-stressed concrete panels for swimming pools and pumps, filters, ladders, etc. **Proceeds**—For building test pools; advertising, inventory and working capital. **Office**—102 Mamaroneck Avenue, Mamaroneck, N. Y. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

Amerford International Corp.
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$3.50. **Business**—International air and ocean freight forwarding. **Proceeds**—For expansion, advertising and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., Inc., and Williams & Lee, Inc., New York.

★ Amerline Corp.
July 3, 1961 filed 150,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of components and products for sale to manufacturers of magnetic tape, electronic computers, data processing machines, etc. **Proceeds**—For selling stockholders. **Office**—2727 W. Chicago Ave., Chicago. **Underwriter**—Dean Witter & Co., San Francisco (managing).

American Electronic Laboratories, Inc.
May 26, 1961 filed 10,632 shares of class A common stock to be offered for subscription by stockholders at the rate of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The company is engaged in research and development in the field of electronic communication equipment. **Proceeds**—For construction, new equipment, and other corporate purposes. **Office**—121 North Seventh Street, Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia, Pa.

• American Facsimile Corp. (7/20)
April 28, 1961 (letter of notification) 40,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Business**—The manufacture of facsimile communication equipment. **Proceeds**—For equipment; sales promotion and advertising; research and development, and working capital. **Office**—160 Coit Street, Irvington, N. J. **Underwriter**—Shell Associates, Inc., New York, N. Y.

American Finance Co., Inc. (7/17-21)
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, New York City. **Underwriter**—Lomasney, Loving & Co., New York City.

Dorsett Electr. Laboratories Common Offered

Ira Haupt & Co. and associates are offering publicly 75,000 common shares of Dorsett Electronics Laboratories, Inc., at $34.75 per share.

Of the net proceeds from the sale approximately $845,000 will be used by the company to retire outstanding debt, of which $835,000 represent short-term indebtedness owed to banks. The balance, together with other funds, will initially be added to working capital and is expected to be used in connection with the company's defense and space exploration electronics business, industrial electronics business, commercial and consumer products business, and possibly for the construction of a new plant in Norman, Okla.

The company of Norman, Okla., and its subsidiaries are engaged principally in the design, engineering and manufacture of electronic and electrical equipment and systems, with particular emphasis on airborne telemetry systems. The company sells its various electronic and electrical products to the U. S. Government for defense and space exploration purposes, to industrial users, to commercial customers and to consumers. In the commercial products area, the company makes audio-visual systems, electric food service equipment, special purpose heating elements, and custom-built organs for the entertainment field. The company's consumer product line includes electronic organs and organ kits for the home market.

On a pro forma basis, for the year ended Dec. 31, 1960, the company and its subsidiaries had consolidated net sales of $4,076,290 and net earnings of $415,583.

Upon completion of the current financing, outstanding capitalization will consist of 423,270 shares of common stock; and $310,300 of sundry debt.

Outdoor Development Co., Inc. Securities Sale

Granbery, Marache & Co., New York City, and associates is making a public offering of 54,000 units of Outdoor Development Co., Inc., at $74 per unit. Each unit consists of one $50 7½% subordinated debenture due June 1, 1976 with an attached warrant to purchase two common shares and six shares of 15 cent par common stock. The warrants will be exercisable after Dec. 1, 1961 to and including June 1, 1966.

The company whose address is Walden Drive, Augusta, Ga., is engaged in the sale, construction and financing of "shell homes" and will use the proceeds from the sale to repay debt and expand branch sales offices.

For the year ended March 31, 1961 the company and its subsidiaries had sales of $3,968,177 and net income of $126,677.

• American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico. Inc. **Offering**—In late August.

American Orbitronics Corp.
June 1, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For raw material, machinery, and working capital. **Office**—1730 K St., N. W., Suite 309, Washington, D. C. **Underwriter**—H. P. Black & Co., Washington, D. C.

American Packing Co.
June 29, 1961 filed 150,000 common shares. **Price**—$4.50. **Business**—The processing and sale of canned salmon. **Proceeds**—For general corporate purposes. **Office**—303 N. E. Northlake Way, Seattle. **Underwriter** — Joseph Nadler & Co., Inc., New York (managing).

• American Photocopy Equipment Co. (7/19)
May 16, 1961 filed 435,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 385,000 for certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of desk-top photocopy machines, paper and supplies, and binding equipment. **Proceeds**—The company will use its share of the proceeds for general corporate purposes. **Office**—2100 West Dempster St., Evanston, Ill. **Underwriter** — Lehman Brothers, New York City (managing).

• American Recreation Centers, Inc. (7/28)
June 26, 1961 filed $1,250,000 of series A convertible subordinated debentures due 1973. **Price**—By amendment. **Business**—The operation of seven bowling centers. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office** — 1721 Eastern Ave., Sacramento, Calif. **Underwriter**—York & Co., San Francisco (managing).

American Sports Plan, Inc.
June 29, 1961 filed 200,000 common shares. **Price**—$6. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—473 Winter Street, Waltham, Mass. **Underwriter**—None.

American Univend Corp. (8/1-4)
May 29, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The leasing of vending machines and the sale of merchandise for distribution therein. **Proceeds**—For the repayment of debt, purchase of additional machines, and other corporate purposes. **Office**—120 E. 56th St., New York. **Underwriter**—Robert A. Martin Associates, Inc., New York.

Amity Corp.
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md **Underwriter**—Karen Securities Corp., New York City. **Note**—This statement is expected to be refiled.

Amphicar Corp. of America
June 15, 1961 filed 100,000 common shares. **Price**—$5. **Business**—The manufacture of amphibious automobiles. **Proceeds**—To establish a parts depot in Newark, N. J., set up sales and service organizations, and for working capital and general corporate purposes. **Office**—660 Madison Avenue, New York. **Underwriter** — Herbert Edmond & Co., Inc., 115 Broadway, New York.

Animal Insurance Co. of America
June 29, 1961 filed 40,000 common shares. **Price**—$15.50. **Business** — The insuring of animals, primarily race horses, trotters and pacers. **Proceeds**—For expansion and general corporate purposes. **Office**—92 Liberty St., New York. **Underwriter**—Bernard M. Kahn & Co., Inc., New York (managing).

Anodyne, Inc.
June 20, 1961 filed $625,000 of 5% convertible subordinated debentures, 156,250 common shares reserved for issuance on conversion of the debentures and 5-year warrants to purchase 125,000 common shares to be offered in 6,250 units, each consisting of $100 of debentures and warrants to purchase 20 shares. The units will be offered for subscription by common stockholders on the basis of one unit for each 100 common shares held. **Price** — $100 per unit. **Proceeds** — For expansion and working capital. **Office**—1270 N. W. 165th St., North Miami Beach, Fla. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., New York.

Apache Corp.
May 29, 1961 filed $750,000 of participating units in the Apache Canadian Gas & Oil Program 1961 to be offered for public sale in 100 units. **Price**—$7,500 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis. **Underwriter**—APA, Inc., Minneapolis. **Offering**—Expected in mid-August.

Apache Corp. (7/20)
March 31, 1961 filed 300 units in the Apache Gas and Oil Program 1962. **Price**—$15,000 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter** — The company and its subsidiary, APA, Inc., will act as underwriters for the Program.

• Apache Realty Corp. (7/14)
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds** — For investment. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

Applied Research Inc.
June 23, 1961 filed 120,000 common shares, of which 60,000 are to be offered by the company and 60,000 shares by stockholders. **Price**—$6.50. **Business**—Manufacture of devices used in connection with space and earth communications, radio frequency analysis, missiles and satellites and radar and telemetry systems. **Proceeds**—For leasehold improvements, equipment and general corporate purposes. **Office**—76 S. Bayles Avenue, Port Washington, N. Y. **Underwriters**—Cruttenden, Podesta & Co., Chicago and Spear, Leeds & Kellogg, New York.

• Aqua-Lectric, Inc.
June 19, 1961 filed 1,000,000 common shares. **Price**—$1.15. **Business**—The marketing of an electric hot water heating system. **Proceeds**—For inventory, salaries, advertising and promotion, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—None. **Offering**—Expected the last of September.

Arcs Industries, Inc.
May 19, 1961 filed $1,630,000 of 6% convertible subordinated debentures due 1971, to be offered for subscription by common stockholders on the basis of $500 of debentures for each 100 shares held. **Price** — At par. **Business**—The manufacture of electronic, electrical and electro-mechanical devices for use in the missile and computer fields. **Proceeds**—To repay loans, purchase a building, and for working capital. **Office** — 755 Park Avenue, Huntington Station, L. I., N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing). **Offering**—In late July.

• Arizona Color Film Processing Laboratories, Inc.
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price**—22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None. **Offering**—Expected in early August.

Arkansas Valley Industries, Inc.
May 12, 1961 filed $1,500,000 of convertible subordinated sinking fund debentures due 1976. **Price**—100% of principal amount. **Business**—The production and sale of chicken feed, hatching chicks and poultry. **Proceeds**—For new facilities, the improvement of marketing improvements, and for working capital. **Office**—Dardenelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing).

★ Arlan's Dept. Stores, Inc.
July 5, 1961 filed 300,000 common shares of which 60,000 shares are to be offered by the company and 240,000 shares by the stockholders. **Price**—By amendment. **Business**—The operation of 12 self-service discount stores. **Proceeds**—For working capital and expansion. **Office**—350 Fifth Ave., New York. **Underwriter**—Eastman Dillon, Union Securities & Co., New York (managing).

Atlantic Fund for Investment in U. S. Government Securities Inc. (7/24-28)
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

Atmos-pak Inc.
June 27, 1961 filed 100,000 common shares. **Price**—$5. **Proceeds** — For the repayment of loans, inventory and general corporate purposes. **Office**—88 N. Highland Ave., Ossining, N. Y. **Underwriter** — Christopher & Co., Inc., and Alessandrini & Co., Inc., New York (co-managing).

Audiographic Inc.
Feb. 27, 1961 filed 150,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

Audio Visual Teaching Machines, Inc. (7/17-21)
June 8, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and distribution of teaching machines, language laboratories and program texts. **Proceeds**—For repayment of debt, purchase of equipment, research and development and working capital. **Office** — 216 E. Diamond Street, Gaithersburg, Md. **Underwriter**—To be named.

Automated Gift Plan, Inc.
June 12, 1961 ("Reg. A") 100,000 common shares (par 10c). **Price**—$3. **Business**—The manufacture and sale of "Gift Bookards" designed to provide simplified gift giving for business and industry. **Proceeds**—For advertising, sales promotion, repayment of loans, working capital and the establishment of national dealerships. **Office**—80 Park Ave., New York. **Underwriter**—J. Laurence & Co., Inc., New York.

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NEW ISSUE CALENDAR

July 14 (Friday)

Apache Realty Corp.________________**Units**
(Blunt Ellis & Simmons) $5,000,000
Eastern Lime Corp.________________**Debentures**
(Stroud & Co. Inc. and Warren W. York & Co. Inc.) $900,000
Electrarc, Inc.________________**Common**
(P. de Rensis & Co., Inc.) $500,000
Home-Maker Stores, Inc.________________**Common**
(M. H. Bishop & Co.) $299,950
Industrial Control Products, Inc.________________**Common**
(Edward Hindley & Co.) $495,000
Q-Line Instrument Corp.________________**Common**
(William, David & Motti, Inc.) $260,000
RamElectronics, Inc.________________**Common**
(General Securities Co. Inc.) $300,000
Staff Business & Data Aids________________**Capital**
(Hancock Securities Corp.) $300,000
United Foods, Inc.________________**Common**
(Dempsey-Tegeler & Co.) $1,062,500
Versapak Film & Packaging Machinery Corp.__**Units**
(Hill, Thompson & Co.; Hampstead Investing Corp. and Globus, Inc.) $468,750
Wej-It Expansion Products, Inc.________________**Common**
(Amos C. Sudler & Co.) $300,000

July 17 (Monday)

Almar Rainwear Corp.________________**Common**
(D. H. Blair & Co.) 120,000 shares
American Finance Co., Inc.________________**Units**
(Lomasney, Loving & Co.) $1,250,000
Audio Visual Teaching Machines, Inc.____**Common**
(Underwriter to be named) $300,000
CMC Finance Group, Inc.________________**Common**
(Auchincloss, Parker & Redpath) 150,000 shares
Canandaigua Enterprises Corp.________________**Units**
(S. D. Fuller & Co.) 8,000 units
Chemonics Corp.________________**Common**
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000
City Gas Co. of Florida________________**Common**
(Kidder, Peabody & Co.) 112,278 shares
Color Reproductions, Inc.________________**Units**
(William, David & Motti, Inc.) $273,125
Dallas Airmotive, Inc.________________**Common**
(Eppler, Guerin & Turner, Inc.) 390,000 shares
Dumas Milner Corp.________________**Units**
(Courts & Co.) 200,000 units
Ets-Hokin & Galvan, Inc.________________**Common**
(Van Alstyne, Noel & Co.) 209,355 shares
Goodway Printing Co.________________**Capital**
(Paine, Webber, Jackson & Curtis) 247,500 shares
Gulf-Southwest Capital Corp.________________**Common**
(Harriman Ripley & Co. and Underwood, Neuhaus & Co., Inc.) 1,250,000 shares
Income Properties, Inc.________________**Class A**
(Eisele & King, Libaire, Stout & Co.) $1,462,500
International Cablevision Corp.________________**Common**
(James Anthony & Co., Inc.) $1,648,500
Marine Structures Corp.________________**Common**
(Grant, Fontaine & Co.) $300,000
Metropolis Bowling Centers, Inc.________________**Common**
(Russell & Saxe Inc.; Thomas, Williams & Lee Inc. and V. S. Wickett & Co.) $990,000
Model Vending, Inc.________________**Common**
(Milton D. Blauner & Co., Inc.; Hallowell, Sulzberger, Jenks, Kirkland & Co. and M. L. Lee & Co., Inc.) 150,000 shares
Ripley Co., Inc.________________**Common**
(Dominick & Dominick) 82,500 shares
Speed-O-Print Business Machines Corp.__**Common**
(Rodman & Renshaw) 125,000 shares
Spellman Engineering, Inc.________________**Common**
(Pierce, Carrison, Wulburn, Inc.) 150,000 shares
Swingline Inc.________________**Common**
(Paine, Webber, Jackson & Curtis) 200,000 shares
Taffet Electronics, Inc.________________**Common**
(Fialkov & Co. Inc.) $396,000
Taft Broadcasting Co.________________**Common**
(Harriman Ripley & Co., Inc.) 376,369 shares
U. S. Home & Development Corp.________________**Capital**
(Auchincloss, Parker & Redpath) 300,000 shares
Vic Tanny Enterprises, Inc.________________**Common**
(S. D. Fuller & Co.) 320,000 shares
Wayne Manufacturing Co.________________**Capital**
(Mitchum, Jones & Templeton and Schwabacher & Co.) 40,000 shares
William Brothers Co.________________**Common**
(Reynolds & Co. Inc.) 350,000 shares
World Color Press, Inc.________________**Common**
(Scherck, Richter Co. and Dempsey-Tegeler & Co.) 218,000 shares

July 18 (Tuesday)

Cable Carriers, Inc.________________**Capital**
(No underwriting) 196,109 shares
Capital Southwest Corp.________________**Common**
(Rotan, Mosle & Co.) $13,750,000
CompuDyne Corp.________________**Common**
(Hayden, Stone & Co.) 168,000 shares
Crown Aluminum Industries Corp.____**Debentures**
(Adams & Peck; Allen & Co. and Andresen & Co.) $2,000,000
Independence Life Insurance Co. of America__**Cap.**
(Blyth & Co. Inc.) 150,000 shares
Micro Electronics Corp.________________**Common**
(R. Baruch & Co.) $400,000
Northwest Natural Gas Co.________________**Common**
(Lehman Brothers) 140,000 shares
Northwest Natural Gas Co.________________**Bonds**
(Lehman Brothers) $6,500,000
Photronics Corp.________________**Common**
(L. D. Sherman & Co.) 150,000 shares

July 19 (Wednesday)

American Photocopy Equipment Co.____**Common**
(Lehman Brothers) 435,000 shares
Certain-Teed Products Corp.________________**Common**
(Offering to stockholders underwritten by Lazard Freres & Co.) 127,570 shares
Mohawk Insurance Co.________________**Common**
(R. F. Dowd & Co., Inc.) $900,000
Shell Oil Co.________________**Debentures**
(Morgan Stanley & Co.) $200,000,000

July 20 (Thursday)

American Facsimile Corp.________________**Common**
(Shell Associates Inc.) $120,000

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Apache Corp. — Units
(APA, Inc. Minneapolis, Minn.) $4,500,000

July 21 (Friday)

Chock Full O' Nuts Corp. — Debentures
(F. Eberstadt & Co.) $7,500,000

Progressitron Corp. — Common
(Netherlands Securities Co.) $300,000

Taddeo Bowling & Leasing Corp. — Units
(Lomasney, Loving & Co.) $1,620,000

July 24 (Monday)

Allstate Bowling Centers, Inc. — Capital
(Offering to stockholders—underwritten by Bear, Stearns & Co.) $3,000,000

Atlantic Fund for Investment in U. S. Government Securities, Inc. — Common
(Capital Counsellors) $50,000,000

BBM Photocopy Manufacturing Corp. — Common
(Shields & Co.) 50,000 shares

Bramalea Consolidated Developments, Ltd. — Units
(Shields & Co.) $12,000,000

Cal-Val Research & Development Corp. — Capital
(Auchincloss, Parker & Redpath) 200,000 shares

Capital Properties, Inc. — Units
(Hodgdon & Co. Inc.) $600,000

Chrislin Photo Industries Corp. — Class A
(Lewis, Wolf, Inc.) $300,000

Consolidated Production Corp. — Common
(Shearson, Hammill & Co.) 200,000 shares

Cosnat Record Distributing Corp. — Common
(Amos Treat & Co.) 150,000 shares

Development Corp. of America — Common
(Amos Treat & Co. Inc.) $600,000

Devonbrook, Inc. — Common
(Globus, Inc.) $600,000

Diversified Industries, Inc. — Preferred
(Offering to stockholders—underwritten by R. E. Bernhard & Co.; Hardy & Co.; Arthur B. Hogan, Inc.; Wedbush & Co.; Wheeler & Cruttenden Inc.; M. S. Walker & Co. and V. E. Anderson & Co.) $120,295

Electronic Products Corp. — Common
(Bertner Bros. and Earl Edden & Co.) $200,000

Famous Artists Schools, Inc. — Common
(Bear, Stearns & Co.) 336,625 shares

Fifth Dimension Inc. — Common
(Milton D. Blauner & Co., Inc.) 60,0000 shares

First Mortgage Fund — Ben. Ints.
(Shearson, Hammill & Co.) $15,000,000

Florida Steel Corp. — Common
(McDonald & Co. and Kidder, Peabody & Co.) 100,000 shares

Garan Inc. — Common
(J. R. Williston & Beane) $780,000

Hydro-Space Technology, Inc. — Common
(Michael G. Kletz & Co., Inc. and John H. Kaplan & Co.) $900,000

Ihnen (Edward H.) & Son, Inc. — Common
(Amos Treat & Co. Inc.) $375,000

Interstate Department Stores, Inc. — Debentures
(Lehman Brothers and Shearson, Hammill & Co.) $5,859,400

Kane-Miller Corp. — Common
(Netherlands Securities Co., Inc.; Seymour Blauner Co. and J. J. Bruno & Co.) $600,000

Long Island Bowling Enterprises, Inc. — Common
(Tau Inc.) $300,000

Magna Pipe Line Co., Ltd. — Common
(Bear, Stearns & Co. and W. C. Pitfield & Co. Ltd.) 750,000 shares

Mortgage Guaranty Insurance Co. — Common
(Bache & Co.) 155,000 shares

Northern Natural Gas Co. — Debentures
(Blyth & Co. Inc.) $35,000,000

Packer's Super Markets, Inc. — Common
(Milton D. Blauner & Co., Inc.) $600,000

Servonic Instruments, Inc. — Common
(C. E. Unterberg, Towbin Co.) 95,000 shares

Space Technology & Utilities Corp. — Common
(Henry Fricke Co.) $300,000

Suval Industries Inc. — Common
(Milton D. Blauner & Co. and Brukenfeld & Co.) $500,000

Tassette, Inc. — Class A
(Amos Treat & Co., Inc.; Bruno Lenchner, Inc. and Karen Securities Corp.) $2,400,000

Thoroughbred Enterprises, Inc. — Common
(Sandkuhl & Co. Inc.) $340,000

Triangle Instrument Co. — Common
(Armstrong & Co. Inc.) $300,000

Universal Manufacturing Co. — Common
(Naftalin & Co. Inc.) $270,000

Vinco Corp. — Debentures
(S. D. Fuller & Co.) $2,000,000

July 25 (Tuesday)

Union Electric Co. — Bonds
(Bids 11 a. m. EDT) $30,000,000

Washington Water Power Co. — Common
(Kidder, Peabody & Co.; Blyth & Co., Inc.; White, Weld & Co. and Dean Witter & Co.) 160,000 shares

July 26 (Wednesday)

Automotive Vacuum Control Corp. — Common
(Donald J. Hinkley & Co. Inc.) $300,000

Bid D Chemical Co. — Common
(Donald J. Hinkley & Co. Inc.) $300,000

Southern Pacific Co. — Equip. Trust Ctfs.
(Bids to be received) $4,845,000

July 28 (Friday)

American Recreation Centers, Inc. — Debentures
(York & Co.) $1,250,000

Rowan Controller Co. — Common
(Stein Bros. & Boyce) 50,000 shares

Security Acceptance Corp. — Units
(No underwriting) $800,000

July 31 (Monday)

Fairfield Controls, Inc. — Common
(Globus, Inc., and Lieberbaum & Co.) $150,000

Federal Factors, Inc. — Debentures
(Thomas Jay, Winston & Co.; Maltz, Greenwald & Co. and Globus, Inc.) $700,000

Federal Factors, Inc. — Common
(Thomas Jay, Winston & Co.; Maltz, Greenwald & Co. and Globus, Inc.) 70,000 shares

Lease Plan International Corp. — Common
(Hayden, Stone & Co.) 125,000 shares

Radiation Instrument Development Laboratory, Inc. — Common
(Hayden, Stone & Co.) 100,000 shares

August 1 (Tuesday)

American Univend Corp. — Common
(Robert A. Martin Associates, Inc.) 100,000 shares

Automated Merchandising Capital Corp. — Common
(Blair & Co. Inc.) 400,000 shares

Northern Pacific Co. — Equip. Trust Ctfs.
(Bids to be received) $7,200,000

Patent Resources, Inc. — Common
(Darius Inc.; N. A. Hart & Co. and E. J. Roberts & Co. Inc.) 150,000 shares

August 4 (Friday)

First Surety Corp. — Capital
(Dempsey-Tegeler & Co.) 754,730 shares

Texas Capital Corp. — Common
(Dempsey-Tegeler & Co.) 1,000,000 shares

August 7 (Monday)

Business Funds, Inc. — Capital
(Clark, Dodge & Co. Inc.; Alex. Brown & Sons and Roton, Mosle & Co.) $14,300,000

Reher Simmons Research Inc. — Capital
(McLaughlin, Kaufmann & Co.) $900,000

August 8 (Tuesday)

Northern States Power Co. — Bonds
(Bids to be received) $20,000,000

August 14 (Monday)

Pell Pharmaceuticals, Inc. — Common
(R. P. & R. A. Miller & Co. Inc.) $300,000

Second Financial, Inc. — Common
(Globus, Inc.) $300,000

August 15 (Tuesday)

Consumers Power Co. — Bonds
(Bids 11:30 a.m. EDST) $40,000,000

Superstition Mountain Enterprises, Inc. — Common
(No underwriting) $5,000,000

August 18 (Friday)

Cellomatic Battery Corp. — Common
(Armstrong & Co. Inc.) $250,000

Lytton Financial Corp. — Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares

Shelley Urethane Industries, Inc. — Common
(Garat & Polonitza Inc.) 200,000 shares

August 21 (Monday)

Riverview ASC, Inc. — Common
(Albion Securities Co., Inc.) $300,000

August 25 (Friday)

Service Photo Industries, Inc. — Class A
(N. A. Hart & Co.) $600,000

August 28 (Monday)

Cressey, Dockham & Co., Inc. — Common
(Mann & Cressy) $300,000

Philadelphia Laboratories, Inc. — Common
(Woodcock, Moyer, Fricke & French, Inc.) $600,000

September 8 (Friday)

Western Union Telegraph Co. — Common
(Offering to stockholders—underwriters to be named) 1,070,000 shares

September 15 (Friday)

Walter Sign Corp. — Common
(Amber, Burstein & Co.) $300,000

September 18 (Monday)

Parish (Amos) & Co., Inc. — Common
(The James Co.) 208,000 shares

September 27 (Wednesday)

Rochester Gas & Electric Corp. — Bonds
(Bids to be received) $12,000,000

October 18 (Wednesday)

Georgia Power Co. — Bonds
(Bids to be received) $15,500,000

Georgia Power Co. — Preferred
(Bids to be received) $8,000,000

October 25 (Wednesday)

New England Power Co. — Bonds
(Bids to be received) $20,000,000

December 5 (Tuesday)

Virginia Electric & Power Co. — Bonds
(Bids to be received) $15,000,000

December 7 (Thursday)

Gulf Power Co. — Bonds
(Bids to be received) $5,000,000

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Automated Merchandising Capital Corp. (8/1-4)
May 24, 1961 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—A closed-end non-diversified management investment company formed to provide financial assistance to concerns active in the vending industry. **Proceeds** — For investment. **Office**—10 East 40th St., New York City. **Underwriter**—Blair & Co., Inc., New York City (managing).

Automatic Canteen Co. of America
June 14, 1961 filed $12,000,000 of sinking fund debentures due 1981. **Price**—By amendment. **Business**—The manufacture, sale and lease of vending machines. **Proceeds**—For expansion and general corporate purposes. **Office**—Merchandise Mart Plaza, Chicago. **Underwriter**—Glore, Forgan & Co., New York (managing).

● **Automatic Canteen Co. of America**
May 26, 1961 filed $20,686,500 of convertible subordinated debentures due July 1, 1981 being offered for subscription by common stockholders on the basis of $100 of deben. for each 32 shares held of record June 30 with rights to expire July 18. **Price** — At par. **Business**—The development, manufacture, sale and leasing of vending machines. **Proceeds**—For the repayment of debt, the construction of a factory addition at Whippany, N. J., and for other corporate purposes. **Office**—Merchandise Mart, Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

● **Automotive Vacuum Control Corp. (7/26)**
March 30, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For advertising, new products and working capital. **Office**—1007 East Second Street, Wichita, Kan. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

BBM Photocpy Manufacturing Corp. (7/24-28)
May 26, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The assembly and sale of accessory equipment for photocopy machines. **Proceeds**—For acquisition of the Bohn Duplicator Co. a division of Willmor International Corp. **Office**—42 W. 15th St., New York City. **Underwriter**—Shields & Co., New York City (managing).

BSF Company
June 30, 1961 filed $2,500,000 of 5% convertible subordinated debentures due 1966. **Price**—At par. **Proceeds**—To repay debt and as a reserve for possible acquisitions. **Office**—818 Market St., Wilmington, Del. **Underwriter**—None.

Badger Northland, Inc.
June 16, 1961 filed 100,000 common shares, of which 68,000 shares are to be offered by the company and 32,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of farm equipment. **Proceeds**—For a plant, purchase of land, retirement of preferred stock and working capital. **Address**—Kaukauna, Wis. **Underwriter**—Loewi & Co., Inc., Milwaukee (managing).

Bel-Aire Products, Inc.
April 14, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For repayment of a loan, new equipment, lease of a plant, and working capital. **Office** — 25970 W. 8 mile Road, Southfield, Mich. **Underwriter** — International Equities Co., Miami, Fla.

● **Bid D Chemical Co. (7/26)**
May 17, 1961 (letter of notification) 60,000 shares of class a common stock (par $1). **Price** — $5 per share. **Office**—1708 W. Main St., Oklahoma City, Okla. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

Blackman Merchandising Corp.
June 8, 1961 filed 72,500 class A common shares. **Price**—By amendment. **Business**—The wholesale distribution of soft goods lines and artificial flowers. **Proceeds**—For expansion; inventory and working capital. **Office**—1401 Fairfax Trafficway, Kansas City, Kan. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Bloomfield Building Industries, Inc.
June 29, 1961 filed 300,000 class A common shares. **Price**—$5. **Proceeds**—For advances to a subsidiary, purchase of additional land and the construction of buildings thereon. **Office** — 3355 Poplar Ave., Memphis, Tenn. **Underwriter**—Lieberbaum & Co., New York.

Bloomfield Industries, Inc.
May 1, 1961 filed 140,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 100,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and sale of food service equipment (for restaurants, hotels, etc.,) and houseware and hospital products. **Proceeds**—For product expansion, working capital and other corporate purposes. **Office**—4546 West 47th St., Chicago, Ill. **Underwriters** — Westheimer & Co., Cincinnati and Divine & Fishman, Inc., Chicago and New York City. **Offering**—Expected in mid-July.

Blue Haven Industries, Inc.
March 30, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To increase inventory, reduce indebtedness and for working capital. **Office**—11933 Vose St., North Hollywood, Calif. **Underwriter** — Pacific Coast Securities Co. **Offering**—Expected in late July.

Blue List Publishing Co., Inc.
June 26, 1961 filed 160,000 outstanding common shares. **Price**—By amendment. **Business**—General printing. **Proceeds**—For the selling stockholders. **Office**—130 Cedar Street, New York. **Underwriter**—White, Weld & Co., Inc., New York (managing).

Bookshelf of America, Inc.
April 17, 1961 (letter of notification) 74,950 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The mail order sale of religious books. **Proceeds**—For moving expenses, new equipment and working capital and general corporate purposes. **Office**—889 Broadway, New York, N. Y. **Underwriter**—D. H. Blair & Co., New York, N. Y. **Offering**—Imminent.

Boulder Lake Corp.
June 28, 1961 filed 315,000 common shares. **Price**—$2.50. **Business**—The acquisition, exploration and development of mineral properties. **Proceeds**—For construction of roads and buildings, purchase of machinery and exploration of properties. **Address**—P. O. Box 214, Twin Bridges, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

Bowling Internazionale, Ltd.
June 30, 1961 filed 200,000 common shares. **Price**—$5. **Proceeds**—For the construction or acquisition of a chain of bowling centers principally in Italy, and for expansion and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., and Thomas, William, & Lee, Inc., New York City.

Bramalea Consolidated Developments, Ltd. (7/24-28)
May 19, 1961 filed $6,000,000 (U. S.) of 6½% sinking fund debentures due July 1, 1973, 600,000 shares of common stock and 240,000 12-year warrants (exercisable at $10 per share) to be offered for public sale in units, each consisting of $50 of debentures, five common shares and two warrants. **Price** — $100 per unit. **Business** — The company is building a planned industrial-commercial-residential community at Chinquacousy, Ont., near Toronto. **Proceeds**—To repay debt and for working capital. **Office**—P. O. Box 129, Brampton, Ont., Canada. **Underwriter**—Shields & Co., New York City (managing).

Brisker Corp.
June 2, 1961 ("Reg. A") 160,000 common shares (par 25 cents). **Price**—$1. **Proceeds**—For repayment of loans, machine rental, working capital and general corporate purposes. **Office**—2833 St. Charles Ave., Suite 4, New Orleans, La. **Underwriter** — Copley & Co., Colorado Springs, Colo.

★ **British-American Construction & Materials Ltd.**
July 7, 1961 filed $3,500,000 (U. S.) debentures, 6% sinking fund series due 1981 (with warrants) and 300,000 outstanding common shares. **Price**—By amendment. **Business**—A construction company. **Proceeds**—Debentures—For repayment of debt, construction, acquisition and working capital. Stock—For the selling stockholders. **Office**—Jarvis Ave., at Andrews St., Winnipeg, Manitoba, Canada. **Underwriter**—P. W. Brooks & Co., Inc., New York (managing).

Brown (W. A.) Manufacturing Co.
June 12, 1961 filed 170,680 outstanding common shares. **Price**—By amendment. **Business** — The manufacture of photo-mechanical equipment. **Proceeds** — For selling stockholders. **Office**—Prudential Plaza, Chicago. **Underwriters**—Loewi & Co., Inc., Milwaukee and Blunt Ellis & Simmons, Chicago.

Builtwell Homes, Inc.
May 25, 1961 filed $1,000,000 of convertible subordinated debentures due 1981 and 300,000 shares of common stock, to be offered for sale in 100,000 units, each consisting of $10 of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—The construction financing and sale of shell homes. **Proceeds**—For the repayment of debt, the opening of additional sales offices and the financing of home sales. **Office**—Adrian, Ga. **Underwriter**—The Robinson-Humphrey Co., Inc., Atlanta, Ga. (managing).

● **Business Funds, Inc. (8/7-11)**
June 2, 1961 filed 1,300,000 shares of capital stock. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—201 Main St., Houston, Texas. **Underwriters**—Clark, Dodge & Co., Inc., New York; Alex. Brown & Sons, Baltimore, and Rotan, Mosle & Co., Houston.

Byer-Rolnick Hat Corp.
June 27, 1961 filed 100,000 outstanding common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—601 Marion Dr., Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Tex., and Straus, Blosser & McDowell, Chicago.

CMC Finance Group, Inc. (7/17-21)
April 28, 1961 filed 150,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The company, through its 20 subsidiaries, is engaged in the consumer finance business in North Carolina, South Carolina and Georgia. **Proceeds** — For working capital. **Office**—1009 Wachovia Building, Charlotte. N. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Cable Carriers, Inc. (7/18)
March 23, 1961 filed 196.109 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—To be named.

Calandra Photo, Inc.
May 29, 1961 filed 170,000 class A shares, including 50,000 to be sold by the company and 120,000 by stockholders. **Price**—By amendment. **Business**—The processing of photographic film, wholesale distribution of photographic equipment, and operation of retail camera stores. **Proceeds**—For exampansion, equipment, and working capital. **Office**—116 North 42nd Street, Omaha, Neb. **Underwriter**—Cruttenden, Podesta & Co., Chicago (managing).

Cal-Val Research & Development Corp. (7/24-28)
June 16, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—Engineering research and development in ground support equipment in the missile, rocket and space fields. **Proceeds**—To repay loans and for general corporate purposes. **Office**—19807 Ventura Boulevard, Woodland Hills, Calif. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Calvideo Electronics, Inc.
May 29, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—18601 S. Santa Fe Ave., Compton, Calif. **Underwriters**—J. K. Norton & Co. and Stern, Zeiff & Co., Inc., New York.

● **Canada Dry Corp.**
June 8, 1961 filed $7,138,400 of 4¾% convertible subordinated debentures due July 1, 1981 being offered for subscription by common stockholders on basis of $100 of debentures for each 33 shares held of record July 11, with rights to expire July 27. **Price**—At par. **Business** — The manufacture and distribution of carbonated and alcoholic beverages, extracts and syrups in the U. S. and Canada. **Proceeds**—To prepay short term loans, for expansion and working capital. **Office**—100 Park Ave., New York. **Underwriters**—Eastman Dillon, Union Securities & Co., Hornblower & Weeks and Winslow, Cohu & Stetson, Inc., New York.

Canandaigua Enterprises Corp. (7/17-21)
May 2, 1961 filed $4,000,000 of sinking fund debentures due 1976, 240,000 shares of class A stock, and warrants to purchase 120,000 shares of class A stock to be offered for public sale in units, each consisting of $500 of debentures, 30 class A shares, and 6-year warrants to purchase 15 class A shares at $5 per share. **Price**—To be supplied by amendment. **Business**—The company owns a majority stock interest in Finger Lakes Racing Association, Inc., which is erecting a thoroughbred race track at Canandaigua, New York. The company plans to engage in recreational and entertainment activities and may construct hotels, motels or restaurants adjacent to the race track. **Proceeds**—For construction, working capital and general corporate purposes. **Office**—26 Broadway, New York City. **Underwriter**—S. D. Fuller & Co., New York City (managing).

★ **Capital Income Fund, Inc.**
July 3, 1961 filed 30,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office** — 900 Market St., Wilmington, Del. **Underwriter**—Capital Management Corp., Miami (managing).

Capital Properties Inc. (7/24-28)
April 21, 1961 filed $600,000 of 9½% debentures due 1977 and 12,000 shares of common stock to be offered for public sale in units of $1,000 of debentures and 20 common shares. **Price**—$1,000 per unit. **Business**—The company plans to purchase and lease back three buildings to be erected by Tower's Marts, Inc., for use as retail discount department stores. **Proceeds**—For acquisition of the above properties. **Office**—36 Pearl St., Hartford, Conn. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Capitol Research Industries, Inc.
June 28, 1961 filed 165,000 common shares and 75,000 common stock purchase warrants. **Price**—For stock, $2; for warrants, 20 cents. **Business**—The manufacture of X-ray film processing machines. **Proceeds**—For repayment of loans and working capital. **Office**—4206 Wheeler Avenue, Alexandria, Va. **Underwriter**—None.

Capital Southwest Corp. (7/18)
May 8, 1961 filed 1,250,000 shares of common stock. **Price**—$11 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—6517 Hillcrest Avenue, Dallas, Texas. **Underwriter**—Rotan, Mosle & Co., Houston, Texas (managing).

★ **Carco Electronics**
June 27, 1961 ("Reg. A") 30,000 class A capital shares (no par). **Price**—$9.50. **Proceeds**—For equipment, leasehold improvements, research and development and working capital. **Office** — 201 Town & Country Village, Palo Alto, Calif. **Underwriter**—None.

Carrington (George S.) Co.
June 14, 1961 ("Reg. A") 60,000 class A common shares (par $1). **Price**—$5. **Proceeds**—For repayment of loans, equipment, inventory, and working capital. **Office**—125 Water St., Leominster, Mass. **Underwriter**—Clayton Securities Corp., Boston, Mass.

● **Cellomatic Battery Corp. (8/18)**
June 20, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price** — $2.50. **Proceeds** — For repayment of debt, inventory and working capital. **Office**—300 Delaware Avenue, Archbald, Pa. **Underwriter**—Armstrong & Co., Inc., New York.

Center Laboratories, Inc.
June 20, 1961 filed $200,000 of convertible subordinated debentures due 1976 and 80,000 common shares underlying such debentures, and 70,000 outstanding common shares to be sold by stockholders. **Price**—(Debentures) At par. (Common) $2 per share. **Proceeds**—For construction of a new building. **Office**—Port Washington, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., New York.

Central Investment Corp. of Denver
June 19, 1961 filed 600,000 common shares. **Price**—$3.75. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—611 Central Bank Building, Denver. **Underwriters**—Boettcher & Co.; Bosworth, Sullivan & Co., Inc., and Peters, Writer & Christensen, Inc., Denver.

Certain-Teed Products Corp. (7/19-8/3)
June 26, 1961 filed 127,632 common shares to be offered for subscription by stockholders on the basis of one new share for each 15 shares held of record about July 19, with rights to expire about Aug. 3. **Price**—By amendment. **Business**—The manufacture of building materials, principally asphalt roofing. **Proceeds**—For working capital. **Office**—120 E. Lancaster Avenue, Ardmore, Pa. **Underwriter**—Lazard Freres & Co., New York (managing).

Chalco Engineering Corp.
Jan. 30, 1961 filed 171,428 shares of common stock. **Price** $3.50 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — First Broad Street Corp., New York City (managing).

Challenger Products, Inc.
June 30, 1961 filed 125,000 common shares. **Price**—$5. **Proceeds**—For the repayment of debt, purchase of new equipment, and working capital. **Office**—2834 Smallman St., Pittsburgh, Pa. **Underwriter**—Pistell, Crowe, Inc., New York.

★ **Champion Aircraft, Inc.**
June 23, 1961 ("Reg. A") 100,000 common shares (par $2). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—2550 Rand Tower, Minneapolis. **Underwriter**—None.

★ **Charles Jacquin et Cie, Inc.**
July 7, 1961 filed 140,000 common shares of which 20,000 shares are to be offered by the company and 120,000 shares by stockholders. **Price**—By amendment. **Business**—The production of cordials, vodka, rum, brandy, etc. **Proceeds**—For working capital, sales promotion and advertising. **Office**—2633 Trenton Ave., Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia (managing).

Charter Industries, Inc.
June 22, 1961 filed 100,000 common shares. **Price**—$4. **Business**—The manufacture of molded plastic products. **Proceeds**—For starting up production and plant expansion. **Office**—388 Codwise Ave., New Brunswick, N. J. **Underwriter** — Standard Securities Corp., New York (managing).

Chemonics Corp. (7/17)
Nov. 14, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of printed circuits for the missile industries. **Proceeds** — For general corporate purposes and working capital. **Office**—990 S. Fairoaks Ave., Pasadena, Calif. **Underwriters**—Grant, Fontaine & Co., Oakland, Calif. (managing); Evans MacCormack & Co., Los Angeles, Calif.; Stone & Youngberg, San Francisco and Sellgren, Miller & Co., Oakland, Calif.

● **Chock Full O' Nuts Corp. (7/21-8/7)**
April 7, 1961 filed $7,500,000 of subordinated debentures, due Aug. 1, 1981 to be offered for subscription by stockholders on the basis of one $100 debenture for each 50 common shares held of record July 21 with rights to expire Aug. 7. **Price**—At par. **Business**—The operation of a chain of restaurants in the New York City area, and the packaging and retail sale of coffee. **Proceeds**—For expansion. **Office**—425 Lexington Ave., New York 17, N. Y. **Underwriter**—F. Eberstadt & Co., New York City (managing).

Chrislin Photo Industries Corp. (7/24-28)
June 15, 1961 ("Reg. A") 50,000 shares of class A stock (par five cents). **Price**—$6. **Business**—Developing and designing products. **Proceeds** — For general corporate purposes. **Office** — 17 Jeffrey Lane, Hicksville, N. Y. **Underwriter**—Lewis Wolf, Inc., New York.

● **Church Builders, Inc.**
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

Cinema Syndicate, Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The production of motion pictures. **Proceeds**—For the repayment of loans; purchase of equipment; production of four motion pictures, and working capital. **Office**—619 W. 54th St., New York, N. Y. **Underwriter**—Fontana Securities, Inc., New York, N. Y.

City Gas Co. of Florida (7/17-21)
June 15, 1961 filed 112,278 common shares. **Price** — By amendment. **Proceeds**—For repayment of loans, purchase of tank cars, and expansion. **Office**—955 E. 25th Street, Hialeah, Fla. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Clarkson Laboratories, Inc.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to engage in the development, manufacture, packaging and sale of industrial chemicals and latex, resins and plastic compounds for industrial and commercial use. **Proceeds**—For plant additions, repayment of debt, and working capital. **Office**—1450 Ferry Avenue, Camden, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City.

★ **Clute (Francis H.) & Son, Inc.**
July 3, 1961 filed 1,000,000 common shares. **Price**—$1.50. **Business** — The manufacture of farm and industrial equipment. **Proceeds**—For materials and inventory, research and development and working capital. **Office**—1303 Elm St., Rocky Ford, Colo. **Underwriter** — Stone, Altman & Co., Inc., Denver.

Coastal Acceptance Corp.
June 6, 1961 ("Reg. A") $125,000 of 10-year registered series notes to be offered in denominations of $100 to $1,000. **Price**—At par. **Proceeds**—For working capital. **Office**—36 Lowell St., Manchester, N. H. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

Color Reproductions, Inc. (7/17-21)
May 10, 1961 (letter of notification) 950 units of $95,000 of 6% subordinated debentures, due June 30, 1971, and 47,500 shares of common stock (par one cent) to be offered in units, each unit consisting of $100 of debentures and 50 shares of common stock. **Price**—$287.50 per unit. **Business**—The company makes color photographs

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and reproductions for churches, institutions, seminaries and schools. **Proceeds**—For equipment; sales promotion; repayment of loans; construction of buildings and improvements of facilities. **Office**—202 E. 44th St., New York, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Components Specialties, Inc.
April 20, 1961 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The importation and sale of electronic subminiature components. **Proceeds** — For repayment of debt; advertising, inventory and working capital. **Office** —3 Foxhurst Road, Baldwin, L. I., N. Y. **Underwriter**—Fund Planning, Inc., New York, N. Y.

Comptometer Corp.
March 31, 1961 filed 160,401 shares of common stock to be offered for subscription by holders of outstanding common stock; 6½% subordinated convertible sinking fund debentures, series A, due 1970; and option agreements for the purchase of common shares. Warrants will be issued on the basis of one right for each common share held on the record date, one right for each share issuable upon conversion of a series A debenture, as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

● **CompuDyne Corp. (7/18)**
May 12, 1961 filed 168,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 48,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The furnishing of instruments and systems for missile sites, and the design, development, assembly and manufacture of electronic and other devices used in the automatic control of aeronautical and missile test facilities. **Proceeds**—For inventory expansion, research and development, the redemption of outstanding 6% debentures due Dec. 1, 1961, and working capital. **Office**—404 South Warminster Rd., Hatboro, Pa. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Concrete Designs, Inc.
June 21, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The design, manufacture and installation of pre-cast reinforced concrete buildings and building products. **Proceeds**—For repayment of loans, expansion, inventory and working capital. **Office**— S. W. 44th Avenue, and Griffin Road, Fort Lauderdale, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

● **Conolite, Inc.**
June 1, 1961 filed 170,000 class A shares. **Price** — $5. **Business**—Manufacturers "Conolite," a laminate used in the construction, furniture and aircraft industries and for electrical insulation. **Proceeds**—For the purchase of the "Conolite" business of Continental Can Co., Inc.; the repayment of debt; moving expenses, and working capital. **Office**—Suite 414. 52 Broadway, New York. **Underwriter**—Amos Treat & Co., Inc., New York. **Offering**—Expected in September.

Consolidated Marine Industries, Inc.
June 20, 1961 filed 200,000 common shares. **Price**—$6. **Business**—A holding company for concerns engaged in the pleasure-boat industry. **Proceeds**—For working capital and other corporate purposes. **Office**—809 Cameron Street, Alexandria, Va. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

Consolidated Production Corp. (7/24-28)
May 26, 1961 filed 200,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company, which plans to change its name to Consolidated Production Corp., buys and manages fractional interests in producing oil and gas properties. **Proceeds**—For investment, and working capital. **Office**—14 North Robinson, Oklahoma City, Okla. **Underwriter** — Shearson, Hammill & Co., New York City (managing). **Note**—This company formerly was named Cador Production Corp.

Consumers Power Co. (8/15)
June 23, 1961 filed $40,000,000 of first mortgage bonds due Aug. 1, 1991. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. **Bids** —Aug. 15, 1961 at 11:30 a.m. (EDST) at 300 Park Ave., New York. **Information Meeting**—Aug. 10, 1961 at 11 a.m. (EDST) at Bankers Trust Co., 2nd floor, 16 Wall St.

● **Continental Fund Distributors, Inc.**
April 13, 1961 filed 296,000 common shares and 296,000 warrants for the purchase of stock of Continental Management Corp., advisor to Continental Growth Fund, Inc. The securities will be offered for public sale in units of one common share and one warrant. **Price**—$1 per unit. **Business**—The company is the sponsor of Continental Growth Fund, Inc. **Proceeds**—For expansion. **Office**—366 Fifth Ave., New York City. **Underwriter**—Niagara Investors Corp., New York.

Continental Leasing Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For purchase of new automobiles, advertising and promotion, and working capital. **Office**—527 Broad St., Sewickley, Pa. **Underwriter** — H. B. Crandall Co. and Cambridge Securities, Inc., New York.

★ **Cooperative Grange League Federation Exchange, Inc.**
July 3, 1961 filed $250,000 of 4% subordinated debentures due 1966, 10,000 shares of 4% cumulative preferred stock (par $100) and 250,000 common shares. **Price**—For debentures, at par; for preferred, $100 and for common, $5. **Business**—An incorporated agricultural cooperative association. **Proceeds**—For redemption of securities of two subsidiaries and working capital. **Office**—Terrace Hill, Ithaca, N. Y. **Underwriter**—None.

Copycat Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribution and sale of photocopy and distributing machines. **Proceeds**—For working capital, advertising, research and expansion. **Office**—200 Park Ave., S., New York. **Underwriters**—Treves & Co. and Reich & Co., New York.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

Cosmetic Chemicals Corp.
June 28, 1961 filed 100,000 common shares (par one cent). **Price** — $4. **Business** — The distribution of cosmetics. **Proceeds**—For advertising, sales expenses, inventory, research, working capital and other corporate purposes. **Office**—5 E. 52nd Street, New York. **Underwriter**—Nance-Keith Corp., New York.

★ **Cosmo Book Distributing Co.**
July 6, 1961 filed 110,000 common shares. **Price** — $3. **Business**—The wholesale distribution of books. **Proceeds** —For repayment of a loan, inventory, working capital and general corporate purposes. **Office** — 1130 Madison Ave., Elizabeth, N. J. **Underwriter**—Frank Karasik & Co., Inc., New York.

Cosmodyne Corp.
June 12, 1961 filed 100,000 common shares. **Price**—By amendment. **Business** — The manufacture of equipment for the storage of super-cold liquids and gases. **Proceeds** —For manufacture of new equipment, repayment of loans; general corporate purposes and working capital. **Office**—3232 W. El Segundo Blvd., Hawthorne, Calif. **Underwriter**—Dean Witter & Co., San Francisco. **Offering**—Expected in Mid-August.

Cosnat Record Distributing Corp. (7/24-28)
May 26, 1961 filed 150,000 shares of common stock, of which 105,556 shares are to be offered for public sale by the company and 44,444 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working capital. **Office**—315 W. 47th St., New York. **Underwriter**—Amos Treat & Co., New York City (managing).

Cott Bottling Co., Inc.
June 29, 1961 filed 335,000 common shares of which 170,000 shares are to be offered by the company and 165,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of carbonated beverages. **Proceeds**—To repay loans, increase inventory and for expansion. **Office**—177 Granite Street, Manchester, N. H. **Underwriter**—R. W. Pressprich & Co., New York.

★ **Crank Drug Co.**
July 3, 1961 filed 130,000 common shares. **Price** — By amendment. **Business** — The operation of retail drug stores. **Proceeds**—For repayment of loans, and for expansion. **Office**—1947 E. Meadowmere St., Springfield, Mo. **Underwriter** — Reinholdt & Gardner, St. Louis (managing).

● **Cressey, Dockham & Co., Inc. (8/28-9/1)**
June 15, 1961 ("Reg. A") 100,000 common shares (par $1). **Price**—$3. **Proceeds**—For working capital. **Office**—1 IGA Way, Salem, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

● **Crown Aluminum Industries Corp. (7/18)**
May 1, 1961 filed $2,000,000 of convertible subordinated debentures due 1976. **Price**—To be supplied by amendment. **Business** — The manufacture and distribution of enameled aluminum siding and aluminum accessories **Proceeds**—For plant expansion, new equipment and the development of new products. **Office**—5820 Center Avenue, Pittsburgh, Pa. **Underwriters** — Adams & Peck: Allen & Co., and Andresen & Co., all of New York City.

Custom Farms, Inc.
June 23, 1961 ("Reg. A") 2,491 common shares (no par). **Price** — $100. **Business** — The sale of eggs, poultry and poultry products. **Proceeds** — For repayment of loans, merchandising program and working capital. **Office**—229 S. State St., Dover, Del. **Underwriter**—None.

Custom Shell Homes, Inc.
May 8, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—To erect sample homes, repay a loan, and for expansion and working capital. **Office**—412 W. Saratoga St., Baltimore, Md. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Dadan, Inc.
June 29, 1961 ("Reg. A") 160,000 common shares (par 50 cents). **Price**—$1.15. **Business**—The manufacture of games. **Proceeds**—For repayment of loans, development of new products and working capital. **Office**—209 Wilder Bldg., Rochester 14, N. Y. **Underwriter**—McDonald, Anderson, Peterson & Co., Inc., Minneapolis.

Dallas Airmotive, Inc. (7/17-21)
May 26, 1961 filed 390,000 shares of common stock, of which 350,000 shares are to be offered for public sale by the company and 40,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The overhaul of aircraft engines for commercial and military customers. **Proceeds** — For realty acquisitions, the repayment of debt, and for expansion. **Office**—6114 Forest Park Road, Dallas, Texas. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

Data Components, Inc.
June 6, 1961 ("Reg. A") 120,000 common shares (par 10 cents). **Price**—$2. **Business**—The marking and fabrication for metal parts. **Proceeds**—For moving expenses, plant equipment, sales promotion and working capital. **Office** — 2212 McDonald Ave., Brooklyn, N. Y. **Underwriter**—A. J. Frederick Co., Inc., New York.

Datatrol Corp.
April 26, 1961 filed 60,000 shares of common stock. **Price**— $4.25 per share. **Business**—The company acts as a consultant or advisor in matters pertaining to data processing problems and equipment. **Proceeds**—To develop data processing systems and for working capital. **Office**—8113-A Fenton Street, Silver Spring, Md. **Underwriter** — First Investment Planning Co., Washington, District of Columbia.

Denver Real Estate Investment Fund
May 15, 1961 filed 600,000 shares in the Fund. **Price**—To be supplied by amendment. **Business**—The Fund will offer investors the opportunity to participate jointly in large and diversified real estate investments which offer promise of growth and increased values. **Proceeds** —For investment. **Office**—660 17th Street, Denver, Colo. **Underwriters** — Bosworth, Sullivan & Co., Inc., and Boettcher & Co., both of Denver, Colo. (managing).

★ **Detroit Stamping Co.**
June 23, 1961 ("Reg. A") 20,000 common shares (par $1). **Price**—By amendment. **Proceeds**—For the selling stockholder. **Office**—350 Midland Ave., Detroit. **Underwriter**—G. A. Saxton & Co., Inc., New York.

● **Development Corp. of America (7/24-28)**
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The development and construction of single-family residences and communities in Florida. **Proceeds**—For general corporate purposes. **Office** — 5707 Hollywood Boulevard, Hollywood, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Devonbrook, Inc. (7/24-28)
June 8, 1961 filed 120,000 outstanding common shares to be sold by stockholders. **Price**—$5. **Business**—Manufacturers of women's apparel. **Proceeds**—For the selling stockholders. **Office**—1400 Broadway, New York. **Underwriter**—Globus, Inc., New York.

● **Diversified Industries, Inc. (7/24-28)**
June 12, 1961 ("Reg. A") 24,059 7% convertible preferred shares (par $5) to be offered for subscription by common stockholders on the basis of one share of preferred for each 10 shares of common held of record on June 5, 1961. **Price**—About $5 per share. **Proceeds**—To repay debt, and for working capital. **Office**—8450 San Fernando Road, Sun Valley, Calif. **Underwriters**—R. E. Bernhard & Co., Beverly Hills, Calif.; Hardy & Co., New York; Arthur B. Hogan, Inc., Burbank, Calif.; Wedbush & Co. and Wheeler & Cruttenden, Inc., Los Angeles; M. S. Walker & Co., Long Beach, Calif., and V. E. Anderson & Co., Salt Lake City.

Dollar Mutual Fund, Inc.
April 25, 1961 filed 100,000,000 shares of capital stock. **Price** — $1 per share. **Business** — A diversified mutual fund. **Proceeds** — For investment. **Office** — 736 Midland Bank Bldg., Minneapolis, Minn. **Underwriter**—Fund Distributors, Inc.

Douglas Microwave Co., Inc.
June 29, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of microwave components, test equipment and sub-systems. **Proceeds** —For repayment of loans, research and development, advertising, purchase of equipment and other corporate purposes. **Office**—252 E. 3rd Street, Mount Vernon, N. Y. **Underwriters**—J. R. Williston & Beane and Hill, Darlington & Grimm, New York (managing).

Duke Shopping Center Limited Partnership
June 28, 1961 filed 269 units of limited partnerships interests. **Price** — $1,000. **Business** — The acquisition and construction of a shopping center at Alexandria, Va. **Proceeds**—For the purchase of the above property. **Office**—729-15th Street, N. W., Washington, D. C. **Underwriter**—Investor Service Securities, Inc., Washington, D. C.

Dumas Milner Corp. (7/17-21)
May 24, 1961, filed $2,000,000 of 6% convertible subordinated debentures due 1971, and 400,000 outstanding shares of class A common stock to be offered for public sale by the present holders thereof. The securities will be sold in 200,000 units, each consisting of one $10 par debenture and two class A shares. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of products used in cleaning, sanitation maintenance and household laundering. **Proceeds**—For the repayment of debt and product expansion. **Office**—Jackson, Miss. **Underwriter**—Courts & Co., Atlanta, Ga. (managing).

● **Dunlap & Associates, Inc.**
June 30, 1961 filed 75,000 common shares, of which 60,000 will be offered by the company and 15,000 by stockholders. **Price**—By amendment. **Business**—The company provides scientific research, engineering consulting and development services to the Armed Services, U. S. Government agencies and private industry. **Proceeds**—For purchase of building sites, expansion, and working capital. **Office**—429 Atlantic St., Stamford, Conn. **Underwriter**—Dominick & Dominick, New York.

Dynamic Gear Co., Inc.
June 29, 1961 filed 125,000 common shares of which 100,000 shares are to be offefred by the company and 25,000 shares by a stockholder. **Price** — $3. **Business** — Manufacture of precision instrument gears. **Proceeds**—For purchase and rebuilding of automatic gear-cutting machines, prepayment of a note, inventory, a new plant and for general corporate purposes. **Office**—175 Dixon Avenue, Amityville, N. Y. **Underwriters**—Flomenhaf, Seidler & Co., Inc. and Lomasney, Loving & Co., New York (managing).

Dynamic Toy, Inc.
June 30, 1961 ("Reg. A") 81,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of toys. **Proceeds**—For advertising, development of new products expansion and working capital. **Address**—109 Ainslie St., Brooklyn, N. Y. **Underwriter**—Hancock Securities Corp., New York.

E. C. P. I., Inc.
June 14, 1961 ("Reg. A") 52,500 common shares (par 25 cents). **Price**—$5.50. **Business**—The training of personnel to operate IBM electronic computers and punch card tabulating equipment. **Proceeds** — For expansion and working capital. **Office**—116 W. 14th Street, New York. **Underwriter**—Stern, Zeiff & Co., Inc., New York.

• Eastern Air Devices, Inc.
June 16, 1961 filed 150,000 common shares to be offered for subscription by common stockholders of Crescent Petroleum Corp., parent, on the basis of one share for each 10 Crescent shares held. **Business**—The manufacture of power and servo components. **Proceeds**—For the purchase of equipment and other corporate purposes. **Office**—385 Central Avenue, Dover, N. H. **Underwriters**—Sutro Bros. & Co. and Gregory & Sons, New York (managing). **Offering**—Expected in early August.

• Eastern Lime Corp. (7/14)
March 31, 1961 filed $900,000 of subordinated debentures, due 1976. **Price**—At 100% of principal amount. **Business**—The operation of a quarry in Kutztown, Pa., and the production of limestone for cement companies. **Proceeds**—For new equipment and the repayment of debt. **Office**—Kutztown, Pa. **Underwriters**—Stroud & Co., Inc., Philadelphia and Warren W. York & Co., Inc., Allentown, Pa. (co-managers).

Eckerd Drugs of Florida, Inc.
June 29, 1961 filed 90,000 common shares and $900,000 of 7% convertible subordinated debentures due 1971 to be offered in units consisting of one common share and $10 of debentures. **Price**—By amendment. **Business**—The operation of drug stores. **Proceeds**—To open 5 new stores, repay loans and other corporate purposes. **Office**—3665 Gandy Blvd., Tampa, Fla. **Underwriter**—Courts & Co., Atlanta (managing).

Edo Corp.
June 14, 1961 filed 108,971 common shares. **Price** — By amendment. **Business** — The manufacture of electronic equipment. **Proceeds**—For the selling stockholders. **Office**—1404 111th Street, College Point, N. Y. **Underwriters**—Paine, Webber, Jackson & Curtis and Kidder, Peabody & Co., New York (managing).

• Electra International, Ltd.
May 5, 1961 filed 70,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products in the automotive ignition field for sale outside of the United States. **Proceeds** — For research, and development, and working capital. **Office**—222 Park Ave., South, New York City. **Underwriters**—Robert A. Martin Associates, Inc., and Ezra Kureen Co., both of New York City. **Offering**—Expected in late July.

Electrarc, Inc. (7/14)
April 21, 1961 filed 100,000 shares of common stock, **Price** — $5 per share. **Business** — The research and development of arc welding and wire shielding. **Proceeds**—For equipment, working capital and miscellaneous expenses. **Office**—505 Washington St., Lynn, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass.

Electro-Miniatures Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of electronic and electro-mechanical devices for the aircraft, radar, missile and rocket industries. **Proceeds**—For the selling stockholders. **Office**—600 Huyler St., Hackensack, N. J. **Underwriter**—Burnham & Co., New York.

Electro-Temp Systems, Inc.
June 30, 1961 ("Reg. A") 75,000 common shares (par one cent). **Price** $4. **Business**—The sale of refrigeration machinery and equipment. **Proceeds**—For repayment of a loan, inventory, promotion and advertising, and working capital. **Office**—150-49 Hillside Ave., Jamaica, N. Y. **Underwriters**—Planned Investing Corp., New York and Bayes, Rose & Co., Inc., 39 Broadway, New York.

Electronic Instrument Co., Inc.
June 28, 1961 filed 175,000 capital shares, of which 118,000 shares are to be offered by the company and 57,000 shares by a selling stockholder. **Price**—By amendment. **Business** — The manufacture of electronic equipment. **Proceeds**—For repayment of loans and general corporate purposes. **Office** — 33-00 Northern Blvd., Long Island City, N. Y. **Underwriter**—Goodbody & Co., New York (managing).

• Electronic Products Corp. (7/24-28)
May 11, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$2 per share. **Office**—4642 Belair Rd., Baltimore, Md. **Underwriters**—Bertner Bros. and Earl Edden & Co., New York, N. Y.

• Electronics Capital Corp.
May 25, 1961 filed 612,463 shares of common stock being offered for subscription by common stockholders on the basis of one new share for each three shares held of record July 6, with rights to expire July 21. **Price**—$27. **Business** — The company is licensed under the Small Business Investment Act of 1958 and provides long-term investment capital and management services to small business concerns in the electronics field. **Proceeds**—For investment. **Office**—1400 Fifth Ave., San Diego, Calif. **Underwriter** — Bear, Stearns & Co., New York City (managing).

Empire Fund, Inc.
June 28, 1961 filed 1,250,000 shares of capital stock to be offered in exchange for blocks of designated securities. **Business**—A "centennial-type" fund which plans to offer a tax free exchange of its shares for blocks of corporate securities having a market value of $20,000 or more. **Office**—44 School Street, Boston, Mass. **Underwriter**—A. G. Becker & Co. Inc., Chicago.

Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

Engineered Plastics Container Co., Inc.
June 5, 1961 ("Reg. A") 100,000 capital shares (par $1). **Price**—$3. **Proceeds**—For equipment and working machine. **Address**—Anaheim, Calif. **Underwriter**—Francis J. Mitchell & Co., Newport Beach, Calif.

Enterprise Hotel Development Corp.
May 19, 1961 filed 242,000 shares of common stock and 9,680 shares of preferred stock (par $100) to be offered for public sale in units of one preferred and 25 common shares. **Price**—$150 per unit. **Business**—The company was formed by the Commonwealth of Puerto Rico to build and own a luxury, beach-front hotel in San Juan. The hotel will be operated under a 30-year lease by a subsidiary of Sheraton Corp. of America. **Proceeds**—For construction. **Office**—1205 Ponce de Leon Avenue, Santurce, P. R. **Underwriter**—None.

Equitable Leasing Corp.
June 19, 1961 ("Reg. A") 90,000 common shares (par 25 cents) to be offered for subscription by stockholders. **Price**—$2. **Proceeds** — For advertising and promotion, legal and audit fees, and working capital. **Office**—247 Charlotte St., Asheville, N. Y. **Underwriter**—Courts & Co., Atlanta.

Ets-Hokin & Galvan, Inc. (7/17-21)
June 1, 1961 filed 209,355 common shares, including 100,000 to be sold by the company and 109,355 by stockholders. **Price**—By amendment. **Business**—Installs electrical and electronic systems in missile installations. **Proceeds**—For general corporate purposes. **Office**—551 Mission St., San Francisco, Calif. **Underwriter** — Van Alstyne, Noel & Co., New York (managing).

• Fairfield Controls, Inc. (7/31-8/4)
May 19, 1961 filed 150,000 shares of common stock. **Price**—$1 per share. **Business**—The manufacture of electronic solid state power controls designed by the company's engineers from specifications supplied by customers. **Proceeds**—For equipment, repayment of a loan, inventory, advertising and working capital. **Office**—114 Manhattan Street, Stamford, Conn. **Underwriters**—Globus, Inc., and Lieberbaum & Co., both of New York City.

Fairmount Chemical Co., Inc.
June 28, 1961 filed 150,000 common shares of which 125,000 shares are to be offered by the company and 25,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of chemicals. **Proceeds**—For purchase of equipment and the repayment of loans. **Office**—117 Blanchard Street, Newark, N. J. **Underwriter**—Andresen & Co., New York.

Famous Artists Schools, Inc. (7/24-28)
June 13, 1961 filed 336,625 common shares of which 100,000 will be sold by the company and 236,625 by stockholders. **Price** — By amendment. **Business** — The company provides home study courses in the visual arts, writing and photography fields. **Proceeds**—For general corporate purposes. **Office** — 680 Fifth Ave., New York City. **Underwriter**—Bear, Stearns & Co., New York (managing).

• Faradyne Electronics Corp.
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co. **Note**—July 11, the SEC instituted "Stop Order" proceedings challenging the accuracy and adequacy of this statement.

• Federal Factors, Inc. (7/31-8/4)
May 8, 1961 filed $700,000 of 6½% convertible subordinated debentures due 1976 and 70,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—A finance company. **Proceeds**—To repay loans, and for working capital. **Office**—400 S. Beverly Drive, Beverly Hills, Calif. **Underwriters**—Thomas Jay, Winston & Co., Beverly Hills, Calif.; Maltz, Greenwald & Co. and Globus, Inc., New York, N. Y.

Federal Manufacturing & Engineering Corp.
June 30, 1961 filed 535,002 common shares of which 92,782 shares will be offered for subscription by stockholders on basis of 1 new share for each 5 shares held, and 92,782 shares offered for subscription by stockholders of Victoreen Instrument Co., parent firm, on the basis of one new share for each Victoreen share held. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—1055 Stewart Ave., Garden City, N. Y. **Underwriter**—None.

Federal Tool & Manufacturing Co.
June 12, 1961 filed 300,000 outstanding common shares. **Price** — $5. **Business**—The manufacture of short-term stampings out of metals. **Proceeds**—For the selling stockholders. **Office**—3600 Alabama Ave., Minneapolis. **Underwriter**—Jamieson & Co., Minneapolis.

Fifth Dimension Inc. (7/24-28)
May 25, 1961 filed 60,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of precision instruments for measurement and control applications. **Proceeds** — For research and new product development. **Office**—P. O. Box 483, Princeton, N. J. **Underwriter**—Milton D. Blauner & Co., Inc., New York (managing).

First Diversified Fund
May 15, 1961 filed 20,000 shares of the Fund. **Price**—$100 per share. **Business**—The Fund was organized in May, 1961, to provide investors with an opportunity to own an interest in diversified income-producing properties, chiefly real estate. **Proceeds**—For investment. **Office**—627 Salem Avenue, Dayton, Ohio. **Sponsor**—The Dahio Co., Dayton, Ohio.

First Mortgage Fund (7/24-28)
June 12, 1961 filed 1,000,000 shares of beneficial interests. **Price** — $15. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—30 Federal St., Boston. **Underwriter**—Shearson, Hammill & Co., N. Y.

First National Real Estate Trust
June 6, 1961 filed 1,000,000 shares of beneficial interest in the Trust. **Price**—By amendment. **Business**—Real estate investment. **Office**—15 William St., New York. **Distributor**—Aberdeen Investors Program, Inc., New York.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

First Surety Corp. (8/4)
May 31, 1961 filed 754,730 outstanding shares of capital stock to be offered for sale by stockholders. **Price**—By amendment. **Business**—The company owns Surety Savings & Loan Association, a California corporation; operates an insuranec agency, and acts as a trustee under deeds of trust. **Office**—237 Olive Ave., Burbank, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

Fischbach & Moore, Inc.
June 29, 1961 filed 50,000 outstanding common shares. **Price**—By amendment. **Business**—Electrical contracting on office buildings, industrial plants and missile, radar and power plant installations. **Proceeds**—For the selling stockholders. **Office** — 545 Madison Ave., New York. **Underwriter**—Allen & Co., New York (managing).

Flato Realty Fund
April 21, 1961 filed 2,000,000 shares of participation in the Fund. **Price**—$10 per share. **Business**—A new real estate investment trust. **Proceeds** — For investment. **Office**—Highway 44 and Baldwin Blvd., Corpus Christi, Texas. **Distributor**—Flato, Bean & Co., Corpus Christi.

Flora Mir Candy Corp.
May 24, 1961 (letter of notification) 85,700 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The manufacture of candy products. **Proceeds**—For repayment of loans; working capital, and expansion. **Office**—1717 Broadway, Brooklyn, N. Y. **Underwriters**—Security Options Corp.; Jacey Securities Co. and Planned Investing Corp. all of New York City.

Florida Capital Corp.
June 23, 1961 filed 488,332 common shares to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—396 Royal Palm Way, Palm Beach, Fla. **Underwriter**—A. C. Allyn & Co., New York (managing).

Florida Steel Corp. (7/24-28)
June 8, 1961 filed 100,000 common shares to be sold by stockholders. **Price** — By amendment. **Business** — The fabricating and warehousing of steel products. **Proceeds**—For the selling stockholders. **Office**—1715 Cleveland St., Tampa, Fla. **Underwriters**—McDonald & Co., Cleveland and Kidder, Peabody & Co., New York (managing).

Foamland U. S. A., Inc.
June 22, 1961 filed 150,000 common shares, of which 90,000 shares are to be offered by the company and 60,000 shares by the stockholders. **Price**—$5. **Business**—The manufacture and retail sale of household furniture. **Proceeds**—For acquisition of new stores, development of new furniture items, working capital and other corporate purposes. **Office** — Cherry Valley Terminal Road, West Hempstead, N. Y. **Underwriter** — Fialkov & Co., Inc., New York (managing). **Offering**—Expected in early September.

Fotochrome Inc.
June 29, 1961 filed $3,500,000 of convertible subordinated debentures due 1981 and 262,500 outstanding common shares. The debentures are to be offered by the company and the stock by stockholders. **Price** — By amendment. **Business** — The processing of photographic films; the wholesaling of photographic supplies and the development and sale of film processing. **Proceeds** — For construction of a new plant, purchase of equipment, moving expenses and for other corporate purposes. **Office**—1874 Washington Ave., New York. **Underwriters**—Shearson, Hammill & Co., and Emanuel, Deetjen & Co., New York.

Fox-Stanley Photo Products, Inc.
March 29, 1961 filed 387,500 shares of common stock (par $1) of which 50,000 shares are to be offered for public sale by the company and 337,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—In May 1961 the com-

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pany plans to take over the businesses of The Fox Co., San Antonio, Tex., and the Stanley Photo Service, Inc., St. Louis, Mo., which are now engaged in the processing of photographic films and the sale of photographic equipment. **Proceeds**—For working capital and possible future acquisitions. **Office**—1734 Broadway, San Antonio, Tex. **Underwriter**—Equitable Securities Corp., Nashville, Tenn. **Offering**—Expected in mid-August.

Frederick-Willys Co., Inc.
April 20, 1961 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—$1.15 per share. **Business**—Manufacture of family recreation equipment. **Proceeds**—To repay debt, purchase additional equipment, for research and development, and working capital. **Office**—6519 Nicollet Avenue, Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn.

Frontier Airlines, Inc.
March 16, 1961 filed 250,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The transportation by air of passengers, property and mail between 66 cities in 11 states. **Proceeds**—For the selling stockholders. **Office** — 5900 E. 39th Ave., Denver, Colo. **Underwriter**—To be named.

• G-W Ameritronics, Inc.
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa. **Note**—This company plans to change its name to G-W Industries.

Garan Inc. (7/24-28)
May 29, 1961 filed 120,000 shares of common stock. **Price**—$6.50 per share. **Business**—The manufacture of men's and boys' sport shirts. **Proceeds**—To equip a new plant at Lambert, Miss., and for working capital. **Office**—112 W. 34th Street, New York City. **Underwriter**—J. R. Williston & Beane, New York City (managing).

• Gelman Instrument Co.
June 6, 1961 ("Reg. A") 50,000 common shares (no par). **Price**—$6. **Proceeds**—For repayment of debt, purchase of equipment, research and development, and working capital. **Office**—106 N. Main Street, Chelsea, Mich. **Underwriter**—Robert A. Martin Associates, Inc., N. Y. **Offering**—Imminent.

General Life Insurance Corp. of Wisconsin
June 16, 1961 filed 348,400 common shares to be offered for subscription by stockholders on the basis of one new share for each two and one-half shares held. **Price**—By amendment. **Proceeds**—For expansion and other corporate purposes. **Office**—8500 W. Capitol Drive, Milwaukee. **Underwriter**—Piper, Jaffray & Hopwood, Minneapolis (managing).

★ General Plastics Corp.
June 20, 1961 ("Reg. A") 60,000 common shares (par $1). **Price**—$5. **Proceeds**—For repayment of loans, inventory, equipment and working capital. **Office**—12414 Exposition Blvd., West Los Angeles, Calif. **Underwriters**—Pacific Coast Securities Co. and Sellgren, Miller & Co., San Francisco.

General Spray Service, Inc.
June 23, 1961 filed 90,000 class A common shares and warrants to purchase 90,000 class A common shares to be offered in units, each unit consisting of one class A share and one two-year warrant. **Price**—$3.50 per unit. **Business** — The manufacture of a spraying machine. **Office**—156 Katonah Ave., Katonah, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York (managing).

Geoscience Instrument Corp.
June 22, 1961 ("Reg. A") 125,000 common shares (par one cent). **Price**—$1. **Business**—The preparation of minerals and metals for the electronic, metallurgical and geoscientific industries. **Proceeds** — For repayment of loans, purchase of equipment, expansion, working capital and other corporate purposes. **Office**—110-116 Beekman St., New York. **Underwriter** — First Philadelphia Corp., New York.

Getz (William) Corp.
June 6, 1961 filed 105,000 shares of common of which 80,000 shares are to be offered by the company and 25,000 shares by a stockholder. **Price** — By amendment. **Business**—Company manufactures dental supplies. **Proceeds**—For repayment of a bank loan and general corporate purposes. **Office**—7512 S. Greenwood Ave., Chicago. **Underwriter**—Bacon, Whipple & Co., Chicago.

Giannini Scientific Corp.
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price**—$10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds**—For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder, Peabody & Co., Inc., New York, N. Y.

Gibbs (T. R.) Medicine Co., Inc.
May 26, 1961 filed 110,000 shares of class A stock. **Price**—$3 per share. **Business**—The manufacture, marketing and distribution of proprietary drug products. **Proceeds**—For advertising and general corporate purposes. **Office**—1496 H Street, N. E., Washington, D. C. **Underwriter**—None.

• Gilbert Data Systems, Inc.
April 14, 1961 filed 175,000 shares of common stock. **Price**—$2 per share. **Business**—The affixing of price tags, packing, warehousing of apparel and other services for department and chain stores. **Proceeds**—For plant additions, repayment of debt and working capital. **Office**—441 Ninth Ave., New York City. **Underwriter**—Schrijver & Co., New York City. **Offering**—Imminent.

Gilbert Youth Research, Inc.
May 29, 1961 filed 65,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 15,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business**—The company conducts consumer research, does telephone sales promotion and prepares articles and books which are related to or relate to merchandising advice to the teenage youth and student fields. **Proceeds**—For working capital. **Office**—205 E. 42nd Street, New York City. **Underwriter**—McDonnell & Co., N. Y.

Gloray Knitting Mills, Inc.
June 30, 1961 filed 125,000 common shares. **Price**—By amendment. **Business** — The manufacture of boys and mens' knitted sweaters. **Proceeds**—For general corporate purposes. **Office**—Robesonia, Pa. **Underwriter**—Shields & Co., New York (managing).

Goodway Printing Co. (7/17)
May 23, 1961 filed 247,500 shares of no par capital stock, of which 60,000 shares are to be offered for public sale by the company and 187,500 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—Commercial printing and the publication of technical journals for prime defense contractors. **Proceeds**—For working capital. **Office**—4030 Chestnut St., Philadelphia, Pa. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Gordon & Breach, Science Publishers, Inc.
April 21, 1961 (letter of notification) 80,000 shares of common stock (par 10 cents). **Price**—$1.75 per share. **Business**—Publishers of scientific textbooks. **Proceeds**—For working capital. **Office** — 150 Fifth Avenue, New York. **Underwriter**—First Weber Securities Corp., N. Y.

Gordon (I.) Realty Corp.
June 20, 1961 filed 320,000 common shares. **Price**—$5. **Business**—Real estate investment. **Proceeds**—For general corporate purposes. **Office** — 112 Powers Bldg., Rochester, N. Y. **Underwriter**—George D. B. Bonbright & Co., Rochester, N. Y.

Granco, Inc.
June 6, 1961 ("Reg. A") 60,000 class A common shares (par $1). **Price**—$5. **Proceeds**—For opening of new discount concessions and working capital. **Office**—2 Geary Street, San Francisco, Calif. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Greater Arizona Mortgage Co.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—Mayer Central Building, Suite 115, Phoenix, Ariz. **Underwriters**—Henry Fricke Co., New York, N. Y. and Preferred Securities, Inc., Phoenix, Ariz.

Greene (M. J.) Co.
June 14, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Proceeds** — For expansion, and working capital. **Office**—14 Wood St., Pittsburgh. **Underwriter**—Hess, Grant & Remington, Inc., Philadelphia.

Growth, Inc.
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Growth Properties
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. (managing). **Offering**—Expected in late July.

Gulf-Southwest Capital Corp. (7/17-21)
May 19, 1961 filed 1,250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company is licensed as a small business investment concern. **Proceeds**—For investment. **Office**—Esperson Building, Houston, Texas. **Underwriters**—Harriman Ripley & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston (managing).

Harn Corp.
June 20, 1961 filed 150,000 common shares of which an undisclosed number will be offered by the company for subscription by stockholders and the balance (amounting to $300,000 after underwriting commissions) by a stockholder. **Price**—By amendment. **Business**—The manufacture of products for baby care such as quilts, pillows, knitted garments, etc. **Proceeds**—For the repayment of loans, purchase of raw materials and equipment, leasehold improvements, and working capital. **Office**—1800 E. 38th St., Cleveland. **Underwriter**—J. R. Williston & Beane, New York (managing).

Hanover Insurance Co.
June 16, 1961 filed 150,500 capital shares. **Price** — By amendment. **Proceeds**—To increase capital. **Office**—111 John Street, New York. **Underwriters**—First Boston Corp. and R. W. Pressprich & Co., New York (managing).

Harper (H. M.) Co.
June 15, 1961 filed 180,000 common shares (par $1) of which 150,000 shares will be sold by the company and 30,000 shares by stockholder. **Price** — By amendment. **Business**—The manufacture of stainless steel and nonferrous corrosion resistant fasteners and parts. **Proceeds**—For working capital. **Office**—8200 Lehigh Ave., Morton Grove, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago.

Hickory Industries, Inc.
March 9, 1961 (letter of notification) 25,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of barbecue machines and allied equipment. **Proceeds** — For general corporate purposes. **Office**—10-20 47th Road, Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y. **Offering**—Imminent.

Hilco Homes Corp.
June 30, 1961 filed $650,000 of 6½% convertible subordinated debentures due 1979 and 195,000 common shares to be offered for public sale in 6,500 units, each consisting of one $100 debenture and 30 common shares. **Price** — By amendment. **Proceeds** — To organize a new finance subsidiary, for plant expansion, and for working capital. **Office**—70th St., and Essington Ave., Philadelphia. **Underwriter**—Rambo, Close & Kerner, Inc. Philadelphia.

• Home-Maker Stores, Inc. (7/14)
May 17, 1961 (letter of notification) 85,700 shares of common stock (par $2.50). **Price**—$3.50 per share. **Office**—2306 Foshay Tower, Minneapolis, Minn. **Underwriter**—M. H. Bishop & Co., Minneapolis, Minn.

Houston Corp.
June 9, 1961 filed 583,334 common shares to be offered for subscription by holders of common and class A stock. **Price**—By amendment. **Business** — The operation of a pipe line system of natural gas. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—First Federal Bldg., St. Petersburg, Fla. **Underwriters**—Blyth & Co., Inc., Lehman Brothers and Allen & Co., New York.

Howe Plastics & Chemical Companies, Inc.
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril & Co., New York, N. Y. **Offering**—Imminent.

Hunt Foods & Industries Inc.
May 23, 1961 filed $38,799,500 of convertible subordinated debentures due July 1, 1986, being offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 12 shares held of record June 28 with rights to expire July 14. **Price**—At par. **Business**—The company processes, packages and distributes food and grocery products. **Proceeds**—For construction and working capital. **Office**—Fullerton, Calif. **Underwriter** — Goldman, Sachs & Co., New York City (managing).

Hydro-Space Technology, Inc. (7/24-28)
May 12, 1961 filed 300,000 shares of common stock, of which 155,000 shares are to be offered for public sale by the company and 145,000 outstanding shares by the present holders thereof. **Price**—$3 per share. **Business**—The design, engineering, production and sale of cartridge actuated devices, the evaluation of propulsion systems and propellants, and the production of buoyancy devices for underwater research and defense. **Proceeds**—For new equipment and facilities, the repayment of loans and working capital. **Office**—West Caldwell, N. J. **Underwriters**—Michael G. Kletz & Co., Inc., and John H. Kaplan & Co., both of New York City.

I C Inc.
June 29, 1960 filed 600,000 shares of com. stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriter**—Industrial Securities Corp., Denver, Colo. **Offering**—Expected in September.

I T A Electronics Corp.
April 7, 1961 (letter of notification) 60,000 shares of common stock. **Price**—$5 per share. **Business**—Manufactures electronic equipment and components. **Proceeds**—For general corporate purposes. **Office**—Lansdown, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Ihnen (Edward H.) & Son, Inc. (7/24-28)
May 16, 1961 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The construction of public and private swimming pools and the sale of pool equipment. **Proceeds**—To reduce indebtedness, to buy equipment, and for working capital. **Office**—Montvale, N. J. **Underwriter**—Amos Treat & Co., Inc., New York City.

• Income Planning Corp.
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J. **Offering**—Expected in late July.

• Income Properties, Inc. (7/17)
March 31, 1961 filed 150,000 shares of class A stock (par 50 cents). **Price**—$9.75 per share. **Business**—Formerly known as Prize Investors Corp., the company owns and operates six apartment houses and plans to construct two more. **Proceeds**—To repay debt and for working capital. **Office**—1801 Dorchester Road, Brooklyn, N. Y. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York City (managing).

Independence Life Insurance Co. of America (7/18)
May 24, 1961 filed 150,000 shares of capital stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The writing of life and disability insurance, principally in southern California. **Proceeds**—To be added to the company's general funds. **Office**—99 South Lake Ave., Pasadena, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

• Industrial Control Products, Inc. (7/14)
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds** — For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter** — Edward Hindley & Co., New York City.

Industrial Electronic Hardware Corp.
June 29, 1961 filed $1,000,000 of 6% convertible subordinated debentures due Aug. 1, 1976 to be offered by the company and 25,000 outstanding common shares by the stockholders (par 50c). **Price**—For debentures—100%; For stock—By amendment. **Business**—The manufacture of basic component parts for the electrical and electronic equipment industry. **Proceeds**—For expansion, inventory, introduction of new products and general corporate purposes. **Office**—109 Prince Street, New York. **Underwriter**—S. D. Fuller & Co., New York (managing).

★ Industry Fund of America, Inc.
July 10, 1961 filed 740,000 common capital shares. **Price** —Net asset value plus a sales charge of up to 8½%. **Business** — A mutual fund. **Proceeds** — For investment. **Office**—400 Utah Savings Bldg., Salt Lake City. **Underwriter**—None.

Industrial Gauge & Instrument Co., Inc.
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price** — $3. **Business** — The sale of industrial gauges, valves and allied products. **Proceeds**—For production, inventory, working capital and repayment of loans. **Office**—1403 E. 180th St., New York 69, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., New York.

Industrial Materials, Inc.
April 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture of a new patented fiber glass material to be used in rocket motor cases. **Proceeds**—For expenses, equipment and working capital. **Office**—1025 Shoreham Bldg., Washington, D. C. **Underwriter** —Atlantic Equities Co., Washington, D. C.

Instrument Systems Corp.
June 28, 1961 filed 150,000 common shares (par 25 cents). **Price**—$5. **Business**—The manufacture of precision instruments and controls for the aircraft and electronics industries. **Proceeds**—For expansion and working capital. **Office**—129-07 18th Avenue, College Point, N. Y. **Underwriter** — Milton D. Blauner & Co. (managing), M. L. Lee & Co., Inc., Lieberbaum & Co., New York.

International Cablevision Corp. (7/17-21)
May 23, 1961 filed 164,850 shares of class A common stock. **Price**—$10 per share. **Business**—The construction and operation of television cable systems. **Proceeds**—For expansion, general corporate purposes, and to offset deficits anticipated during the commencement of certain Florida operations. **Office**—New York City. **Underwriter** —James Anthony & Co., Inc., New York (managing).

International Marine, Inc.
May 29, 1961 ("Reg. A.") 75,000 common shares (par one cent) of which 60,000 are to be sold by the company and 15,000 by the underwriter. **Price**—$4. **Proceeds**—For repayment of debt, advertising, inventory, and working capital. **Office**—790 N. E. 79th St., Miami, Fla. **Underwriter**—Albion Securities Co., Inc., New York.

International Parts Corp.
June 20, 1961 filed 300,000 outstanding class A common shares to be sold by stockholders. **Price**—By amendment. **Business**—The sale of replacement parts for automobiles. **Proceeds**—For the selling stockholders. **Office** —4101 W. 42nd Place, Chicago. **Underwriter** — H. M. Byllesby & Co., Chicago.

International Silver Co.
May 16, 1961 filed $7,822,000 of convertible subordinated debentures due Aug. 1, 1981 being offered for subscription by common stockholders on the basis of $100 of debentures for each 15 shares held of record June 30 with rights to expire about July 17. **Price** — At par. **Business**—The manufacture and sale of silverware, flatware and table accessories. **Proceeds**—For the retirement of such 7% cumulative preferred shares as are tendered to the company during a period commencing June 12. **Office**—500 South Broad St., Meriden, Conn. **Underwriter**—Lehman Brothers, New York City (managing).

Interstate Department Stores, Inc. (7/24-28)
June 15, 1961 filed $5,859,400 of convertible subordinated debentures due Aug. 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of deben. for each 20 shares held. **Price**—At par. **Business** —Operation of department stores. **Proceeds**—For expansion, working capital and other corporate purposes. **Office**—111 Eighth Ave., New York. **Underwriters**—Lehman Brothers and Shearson, Hammill & Co., New York (managing).

★ Irwin (Richard D.), Inc.
July 10, 1961 filed 160,000 common shares of which 35,000 shares are to be offered by the company and 125,000 by stockholders. **Price**—By amendment. **Business** —The publishing of textbooks on business and economic subjects. **Proceeds** — For working capital and general corporate purposes. **Office**—1818 Ridge Road, Homewood, Ill. **Underwriter**—A. G. Becker & Co., Inc., New York (managing).

Israel-America Hotels, Ltd.
June 8, 1961 filed 1,250,000 ordinary shares. **Price**—$1 per share, payable in cash or State of Israel bonds. **Business**—The operation of hotels. **Proceeds**—For construction and operation of a hotel at Herzlia, Israel. **Address**—Tel Aviv, Israel. **Underwriter**—Brager & Co., New York.

Ivest Fund, Inc.
Feb. 20, 1961 filed 150,000 shares of common stock. **Price** —Net asset value at the time of the offering. **Business** — A non-diversified, open-end investment company, whose stated objective is capital appreciation. **Proceeds** —For investment. **Office** — One State Street, Boston, **Underwriter**—Ivest, Inc., One State Street, Boston. **Offering**—Expected in late July.

★ Jefferson Growth Fund, Inc.
July 11, 1961 filed 1,000,000 shares of capital stock. **Price** —Net asset value plus 8½% sales commission. **Business** —A mutual fund. **Proceeds**—For investment. **Office**—52 Wall St., New York. **Underwriter**—Jefferson Distributors Corp., New York.

Jolyn Electronic Manufacturing Corp.
April 24, 1961 (letter of notification) 64,500 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of machine tool products, drift meters, sextants and related items. **Proceeds**—For repayment of a loan, working capital, and general corporate purposes. **Office**—Urban Avenue, Westbury, L. I., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., New York, N. Y.

Kane-Miller Corp. (7/24)
May 17, 1961 filed 120,000 shares of common stock. **Price** —$5 per share. **Business**—The company is a wholesaler and distributor of grocery products to institutions, restaurants, steamship lines and the like. **Proceeds**—For inventory, and working capital. **Office** — 81 Clinton Street, Yonkers, N. Y. **Underwriters**—Netherlands Securities Co., Inc., and Seymour Blauner Co., both of New York City and J. J. Bruno & Co., Pittsburgh, Pa.

Keller Corp.
June 29, 1961 filed $1,200,000 of 6½% convertible subordinated debentures due 1968. **Price**—At 100%. **Business**—The development of land, construction of homes and related activities in Florida. **Proceeds**—For repayment of debt, acquisition of Yetter Homes, Inc., and general corporate purposes. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers & Co., Inc., New York (managing).

Keltner Electronics, Inc.
May 31, 1961 ("Reg. A.") 150,000 common shares (par 25 cents). **Price**—$1. **Proceeds**—For research, working capital and repayment of debt. **Office**—1045 W. Hampden St., Englewood, Colo. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., 1717 Stout St., Denver, Colo.

★ Kimberly-Clark Corp.
July 12, 1961 filed $30,000,000 of sinking fund debentures due 1986. **Price**—By amendment. **Business**—The manufacture of white paper, cellulose wadding products, etc. **Proceeds**—For general corporate purposes. **Office**—Neenah, Wisc. **Underwriter**—Blyth & Co., Inc., New York City.

★ King's Department Stores, Inc.
July 12, 1961 filed 500,000 common shares (par $1) of which 250,000 shares are to be offered by the company and 250,000 shares by the stockholders. **Price** — By amendment. **Proceeds**—For expansion. **Office**—Boston, Mass. **Underwriter** — Shearson, Hammill & Co., New York (managing).

Kirk (C. F.) Laboratories, Inc.
June 16, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of pharmaceuticals. **Proceeds**—For repayment of a loan, purchase and installation of equipment, development and promotion of new products and for working capital. **Office**—521 W. 23rd Street, New York. **Underwriter**—Hill, Darlington & Grimm, New York (managing).

★ Kirkbrae Country Club, Inc.
June 29, 1961 ("Reg. A") $120,000 of 3% bonds due July 1, 1982 to be offered in units of $300 each. **Price**—100%. **Proceeds**—For expenses in operating a golf course. **Office**—Old River Rd., Lincoln, R. I. **Underwriter**—None.

Krystinel Corp.
April 12, 1961 filed 90,000 shares of class A stock. **Price** —$2.50 per share. **Business**—The company produces ferrites, which are ceramic-like materials with magnetic properties, and conducts a research and development program for ferrite products. **Proceeds**—For the repayment of a loan, research and development, new equipment and working capital. **Office**—P. O. Box 6, Fox Island Road, Port Chester, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Schrijver & Co., both of New York City.

Lafayette Realty Co.
April 28, 1961 filed 129.3 limited partnership interests. **Price**—$5,000 per interest. **Business**—The partnership owns a contract to purchase the fee title to the Lafayette Building in Detroit, Mich. **Proceeds**—To purchase the above property. **Office**—18 E. 41st Street, New York City. **Underwriter**—Tenney Securities Corp., 18 E. 41st Street, New York City.

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. **Price**—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. **Business**—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. **Proceeds**—For exploration and development of oil lands. **Office**—32 Rothschild Blvd., Tel-Aviv, Israel. **Underwriter**—None.

Lease Plan International Corp. (7/31-8/4)
June 14, 1961 filed 125,000 common shares, of which 40,000 shares are to be offered by the company and 85,000 shares by stockholders. **Price**—By amendment. **Business**—The leasing of trucks and cars. **Proceeds**—To repay loans and for working capital. **Office**—9 Chelsea Place, Great Neck, N. Y. **Underwriter**—Hayden, Stone & Co., New York (managing).

★ Leitch-Huard Corp.
June 27, 1961 ("Reg. A") 30,000 class A common shares (par $5). **Price**—$10. **Proceeds**—For working capital. **Office**—Commercial St., Amoskeag Mill Yard, Manchester, N. H. **Underwriter**—None.

Lewis & Clark Marina, Inc.
May 9, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Address**—Yankton, S. D. **Underwriter** — The Apache Investment Planning Division of the Apache Corp., Minneapolis.

★ Lewis (Tillie) Foods, Inc.
July 3, 1961 filed 400,000 common shares (par $1), of which 200,000 shares are to be offered by the company and 200,000 shares by stockholders. **Price**—By amendment. **Business**—The processing, canning, bottling and selling of fruits and vegetables. **Proceeds**—For repayment of debt and working capital. **Office**—Fresno Ave. & Charter Way, Stockton, Calif. **Underwriter**—Van Alstyne, Noel & Co., New York (managing).

Liberty Real Estate Trust of Florida
June 30, 1961 filed 2,500,000 shares of beneficial interest in the Trust to be offered in exchange for real property, interests in real property and mortgages on property in Florida. **Price**—$10 per share. **Office**—1230 N. Palm Ave., Sarasota, Fla. **Underwriter** — Liberty Securities Corp., Sarasota, Fla.

Lincoln Fund, Inc.
March 30, 1961 filed 951,799 shares of common stock. **Price** — Net asset value plus a 7% selling commission. **Business** — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New Britain.

Long Island Bowling Enterprises, Inc. (7/24-28)
May 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The operation of bowling alleys. **Proceeds**—For general corporate purposes. **Address**—Mattituck, L. I., N. Y. **Underwriter**—Tau Inc New York, N. Y.

Long Island Lighting Co.
June 2, 1961 filed $25,000,000 of first mtge. bonds, series L, due 1991. **Proceeds**—For construction. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—Competitive bidding. Probable bidders: Halsey, Stuart & Co Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly). **Offering**—Expected in late July.

Lytton Financial Corp. (8/18)
March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office** — 8150 Sunset Boulevard, Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing).

M. B. M. Corp.
May 26, 1961 ("Reg. A.") $300,000 of 6½% sinking fund equipment notes to be offered in units of $1,000. **Price**—At par. **Proceeds**—For repayment of loans, and working capital. **Office**—1331 S. 20th St., Omaha, Neb. **Underwriter**—First Trust Co. of Lincoln, Neb.

MPO Videotronics, Inc.
June 28, 1961 filed 60,000 common shares. **Price**—By amendment. **Business**—The production of television commercials and motion pictures for industry. **Proceeds**—For expansion. **Office**—15 E. 53rd Street, New York. **Underwriter**—Francis I. duPont & Co., New York (managing).

Magna Pipe Line Co. Ltd. (7/24-28)
June 1, 1961 filed 750,000 common shares, of which 525,000 will be offered for sale in the U. S., and 225,000 in Canada. **Price**—By amendment. **Business**—The company plans to build and operate an underwater natural gas transmission pipeline from British Columbia to Vancover Island and a subsidiary will build a pipeline from Bremerton to Port Angeles, Washington. **Proceeds**—For construction. **Office**—508 Credit Foncier Bldg., Vancouver, B. C. **Underwriters**—(In U. S.) Bear, Stearns & Co., New York. (In Canada) W. C. Pitfield & Co., Ltd., Montreal.

Mairs & Power Income Fund, Inc.
June 7, 1961 filed 40,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office**—1002 First National Bank Bldg., St. Paul, Minn. **Underwriter**—None.

Marine Structures Corp. (7/17)
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif.

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● Marks Polarized Corp.
June 27, 1961 filed 95,000 common shares. **Price** — By amendment. **Proceeds** — For expansion, acquisition of new facilities and other corporate purposes. **Office**—153-16 Tenth Ave., Whitestone, N. Y. **Underwriters**—Ross, Lyon & Co., Inc. (managing), and Globus, Inc., N. Y.

Marsan Industries, Inc.
June 6, 1961 filed 125,000 shares of class A common. **Price**—$4 per share. **Business**—The issuing firm is a holding company for Jersey Packing Co., and a closed circuit television camera manufacturer. **Proceeds**—For the purchase of equipment, research and development, expansion of the Missiltronics Division, advertising, inventory and working capital. **Office** — 136 Orange St., Newark, N. J. **Underwriter**—T. M. Kirsch & Co., New York City. **Offering**—Expected in early August. **Note**—This company formerly was named American Missiltronics Corp.

★ Mechanical Enterprises, Inc.
June 22, 1961 ("Reg. A") 12,000 common shares (par 50 cents). (9,477 shares were sold previously by the company. Offer of recission now being made to all purchasers of these shares). **Price**—From $5 to $12. **Proceeds** —For inventory, fixtures and machinery and working capital. **Office**—3158 Jefferson Davis Highway, Arlington, Va. **Underwriter**—None.

Merchants Co.
June 19, 1961 ("Reg. A") $300,000 of 6% convertible 15-year subordinated debentures due 1976 to be offered for subscription by stockholders for 14 days in units of $100 each. **Price**—At par. **Proceeds**—For working capital. **Office**—300 E. Pine St., Hattiesburg, Miss. **Underwriter**—Lewis & Co., Jackson, Miss.

★ Merchants Finance Co.
June 27, 1961 ("Reg. A") $100,000 of 7% subordinated notes to be offered in units of $500 with rights to purchase one share of class B stock with each $100 subordinated note purchased. **Price**—At par. **Proceeds**—To purchase accounts and repay a loan. **Office**—1921 Second Ave., Seattle, Wash. **Underwriter**—None.

Metropolis Bowling Centers, Inc. (7/17-21)
May 1, 1961 filed 198,000 shares of common stock, of which 120,000 shares are to be offered for public sale by the company and 78,000 outstanding shares by the present holders thereof. **Price**—About $5 per share. **Business** —The acquisition and operation of bowling centers, principally in New York City. **Proceeds**—To improve existing properties and acquire other bowling centers. **Office** —647 Fulton Street, Brooklyn, N. Y. **Underwriters**—Russell & Saxe, Inc., (managing); Thomas, Williams & Lee, Inc., and V. S. Wickett & Co., New York City.

● Micro Electronics Corp. (7/18)
March 31, 1961 filed 125,000 shares of common stock. **Price** — $4 per share. **Business** — The manufacture of printed circuits for the electronics industry. **Proceeds**—$124,000 for new plant, $76,000 for equipment, and $110,000 for working capital. **Office**—1191 Stout St., Denver, Colo. **Underwriter**—R. Baruch & Co., Washington, D. C.

Micro-Lectric, Inc.
June 12, 1961 ("Reg. A") 55,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For tooling and production; repayment of loans; equipment; advertising; research and development and working capital. **Office**—19 Debevoise Avenue, Roosevelt, N. Y. **Underwriter**—Underhill Securities Corp., New York.

Microwave Semiconductor & Instruments Inc.
May 12, 1961 filed 120,000 shares of common stock. **Price**—$3 per share. **Business**—The research, development, manufacture and sale of microwave devices and instruments. **Proceeds**—For additional equipment, research, inventory and working capital. **Office** — 116-06 Myrtle Avenue, Richmond Hill, N. Y. **Underwriter** — First Investment Planning Co., Washington, D. C.

Mid-Continent Corp.
June 5, 1961 filed 140,000 common shares. **Price**—$7.50. **Business** — General real estate. **Proceeds** — For investment and advances to subsidiaries. **Office**—997 Monroe Ave., Memphis. **Underwriter**—James N. Reddoch & Co., Memphis.

Middle Atlantic Investment Co.
June 22, 1961 filed 70,000 common shares. **Price**—$10. **Business**—An investment company. **Proceeds**—For investment and working capital. **Address**—Elkins Park, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Mill Factors Corp.
May 31, 1961 filed 75,000 common shares. **Price** — By amendment. **Business**—General factoring in the textile and apparel fields. **Proceeds**—For working capital, and the repayment of debt. **Office**—380 Park Ave., South, New York. **Underwriter** — Lee Higginson Corp., New York (managing).

Miniature Precision Bearing, Inc.
June 16, 1961 filed 105,000 class A common shares of which 50,000 shares are to be offered by the company and 50,000 shares by a stockholder and 5,000 to certain employees. **Price**—By amendment. **Business**—The manufacture of ball bearings. **Proceeds**—For repayment of debt and capital improvements. **Address**—Keene, N. H. **Underwriter**—Tucker, Anthony & R. L. Day, New York (managing).

Minichrome, Inc.
June 16, 1961 ("Reg. A") 150,000 common shares (par 15 cents). **Price**—$1.15. **Proceeds**—For film processing machines, machinery installation and working capital. **Office**—980 W. 79th St., Minneapolis, Minn. **Underwriter** —Continental Securities, Inc., Minneapolis, Minn.

Minnesota Valley Natural Gas Co.
June 1, 1961 ("Reg. A") 15,584 common shares (par $10). **Price**—$19.25. **Proceeds** — For expansion and construction. **Office** — 1750 Hennepin Ave., Minneapolis, Minn. **Underwriters**—Woodard-Elwood & Co., J. M. Dain & Co., Inc., Minneapolis and Harold E. Wood & Co., St. Paul.

● Missile-Tronics Corp.
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, New York, N. Y. **Offering**—Expected in late July.

★ Missouri Utilities Co.
July 3, 1961 filed 50.676 common shares to be offered for subscription by stockholders on the basis of one new share for each 10 shares held. **Price**—By amendment. **Proceeds**—For repayment of loans and for expansion. **Address**—Cape Girardeau, Mo. **Underwriter**—Edward D. Jones & Co., St. Louis, Mo.

Mite Corp.
June 23, 1961 filed 325,000 capital shares. **Price**—By amendment. **Business**—The manufacture of mechanical, electro-mechanical and electronic equipment, including sewing machine attachments, small electric motors, Polaroid Land cameras, etc. **Proceeds**—For equipment, repayment of loans; research, development and engineering and general corporate purposes. **Office**—446 Blake St., New Haven, Conn. **Underwriters**—Kidder, Peabody & Co., New York and Charles W. Scranton & Co., New Haven, Conn. (managing). **Offering**—Expected in early August.

Mobile Estates, Inc.
June 27, 1961 filed 140,000 common shares. **Price**—$6. **Proceeds**—To purchase land, construct and develop about 250 mobile home sites, form sales agencies and for working capital. **Office**—26 Dalbert, Carteret, N. J. **Underwriter**—Harry Odzer Co., New York (managing).

● Model Vending, Inc. (7/17)
April 27, 1961 filed 150,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The operation of vending machines for the retail sale of cigarettes, candy and a variety of other food and drink products. The company also operates coin-type phonograph machines and amusement devices. **Proceeds** — For new equipment, modernization of accounting procedures, and general corporate purposes. **Office**—4830 N. Front Street, Philadelphia, Pa. **Underwriter**—Milton D. Blauner & Co., Inc., New York City (managing), Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa., and M. L. Lee & Co., Inc., New York City.

Moderncraft Towel Dispenser Co., Inc.
March 30, 1961 filed 80,000 shares of common stock, of which 73,750 shares are to be offered for public sale by the company and 6,250 outstanding shares by the underwriter. **Price**—$4 per share. **Business**—The manufacture and sale of an improved towel dispensing cabinet. **Proceeds**—For advertising, research and development, payment of debt, and working capital. **Office** — 20 Main Street, Belleville, N. J. **Underwriter**—Vickers, Christy & Co., Inc., New York City.

● Mohawk Insurance Co. (7/19)
Aug. 8, 1960, filed 75,000 shares of class A common stock **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F Dowd & Co., Inc., 39 Broadway, New York 6, N. Y

Monticello Lumber & Mfg. Co., Inc.
April 11, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., New York, N. Y.

Mortgage Guaranty Insurance Co. (7/24-28)
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter** —Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early August.

Municipal Investment Trust Fund, First Pa. Series
April 28, 1961 filed $6,375,000 (6,250 units) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of the Commonwealth of Pennsylvania and its political sub-divisions. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early August.

NAC Charge Plan and Northern Acceptance Corp.
June 27, 1961 filed 33,334 class A common shares. **Price** —By amendment. **Proceeds**—For working capital. **Office**—16 East Pleasant St., Baltimore, Md. **Underwriter** —Sade & Co., Washington, D. C. (managing).

National Hospital Supply Co., Inc.
June 22, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribtuion of medical supplies. **Proceeds**—For inventory, advertising and promotion, expansion, repayment of loans and working capital. **Office**—38 Park Row, New York. **Underwriters** —Edward Lewis & Co., Inc. and Underhill Securities Corp., New York (co-managers).

National Semiconductor Corp.
May 11, 1961 filed 75,000 shares of capital stock. **Price** —To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters** — Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis (managing).

Nationwide Homes, Inc.
June 12, 1961 filed $1,500,000 of 8% sinking fund convertible subordinated debentures due 1976 and 300,000 common shares to be offered in units, each consisting of $10 of debentures and two common shares. **Price**—By amendment. **Business** — The construction and sale of homes. **Proceeds**—For working capital. **Address**—Collinsville, Va. **Underwriters**—Cruttenden, Podesta & Co., Chicago and McDaniel Lewis & Co., Greensboro, N. C.

★ New Era Mining Co.
July 5, 1961 filed 800,000 common shares. **Price**—50c. **Proceeds**—For equipment, working capital, repayment of debt and reserves. **Office**—9635 W. Colfax Ave., Denver. **Underwriter**—None.

Nissen Trampoline Co.
May 4, 1961 (letter of notification) 9,400 shares of common stock (par $1). **Price**—At the market. **Proceeds**—For the selling stockholders. **Office**—930 27th Ave., S.W., Cedar Rapids, Iowa. **Underwriter** — Yates, Heitner & Woods, St. Louis, Mo.

Nitrogen Oil Well Service Co.
May 22, 1961 filed 100,000 shares of common stock. **Prices**—$10 per share for 51,000 shares to be offered to Big Three Welding Company; $10 per share for not less than 24,500 shares to be offered to holders (other than Big Three) of the outstanding common on the basis of one new share for each 1⅓ shares held; and $10.60 per any unsubscribed shares. **Business**—The company furnishes high pressure nitrogen to the oil and gas industry. **Proceeds**—For general corporate purposes, including $880,000 for the purchase of 20 additional liquid nitrogen high pressure pumping units. **Office**—3602 W. 11th St., Houston, Texas. **Underwriter** — Underwood, Neuhaus & Co., Inc., Houston, Texas. **Offering**—Expected mid to late July.

● Northern Natural Gas Co. (7/24-28)
June 28, 1961 filed $35,000,000 sinking fund debentures due 1981. **Price**—By amendment. **Proceeds**—For repayment of loans. **Office**—2223 Dodge Street, Omaha. **Underwriter**—Blyth & Co., Inc., New York.

Northern States Power Co. (8/8)
June 23, 1961 filed $20,000,000 of first mortgage bonds due 1991. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters**— (Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co. Inc. (jointly). **Bids**—Expected to be received on Aug. 8.

Northwest Natural Gas Co. (7/18)
June 13, 1961 filed $6,500,000 of first mortgage bonds due 1986 and 140,000 common shares. **Price**—By amendment. **Proceeds**—For the repayment of bank loans and construction. **Office**—735 S. W. Morrison St., Portland, Oreg. **Underwriter**—Lehman Brothers, New York (managing).

★ Northwestern Public Service Co.
June 30, 1961 filed $4,000,000 of first mortgage bonds due 1987. **Office**—Huron, S. D. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Kidder, Peabody & Co., and Salomon Brothers & Hutzler.

Occidental Petroleum Corp.
June 29, 1961 filed $3,962,500 of subordinated convertible debentures due 1976 to be offered for subscription by common stockholders on the basis of $100 principal amount of debentures for each 100 shares held. **Price**—At par. **Business**—The acquiring and developing of oil and gas properties. **Proceeds**—For exploration and development of oil leases and working capital. **Office**—8255 Beverly Blvd., Los Angeles. **Underwriter**—None.

Old Empire, Inc.
May 1, 1961 filed $700,000 of convertible subordinated debentures due 1971. **Price** — At par. **Business** — The manufacture, packaging and distribution of cosmetics, pharmaceuticals and household, chemical and industrial specialties. **Proceeds**—For the repayment of bank loans, property improvements and working capital. **Office**—865 Mt. Prospect Avenue, Newark, N. J. **Underwriter**—Laird, Bissell & Meeds, Wilmington, Del.

★ Old Timer Products Co.
June 26, 1961 ("Reg. A") 100,000 common shares. **Price** —At par ($1). **Proceeds**—For working capital. **Address** —P. O. Box 1212, Missoula, Mont. **Underwriter**—None.

One Maiden Lane Fund, Inc.
April 7, 1961 filed 300,000 shares of common stock. **Price**—$3 per share. **Business**—This is a new mutual fund which will hold only convertible debentures and U. S. Treasury bonds. **Proceeds**—For investment. **Office** —One Maiden Lane, New York City. **Underwriter**—G. F. Nicholls & Co., Inc., New York City.

Ore-Ida Foods, Inc.
June 29, 1961 filed 220,000 common shares of which 200,000 will be sold by the company and 20,000 by stockholders. **Price**—By amendment. **Business**—The processing of raw potatoes into various packaged frozen products.

Proceeds—For the repayment of debt, purchase of equipment, plant expansion and working capital. **Office** — Ontario, Ore. **Underwriter** — Kidder, Peabody & Co., New York (managing).

★ Orkin Exterminating Co., Inc.
July 6, 1961 filed 360,000 outstanding no par common shares. **Price**—By amendment. **Business**—Pest and termite control services. **Proceeds**—For selling stockholders. **Office**—713 W. Peachtree St., N. E., Atlanta. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York and Courts & Co., Atlanta.

Ormont Drug & Chemical Co., Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds**—For expansion, and working capital. **Office**—38-01 23rd Ave., Long Island City, N. Y. **Underwriter**—Havener Securities Corp., New York, N. Y.

Pacific Air Lines, Inc.
June 26, 1961 filed $1,800,000 of 6½% convertible subordinated debentures due 1976 and 180,000 common shares to be offered in units, each consisting of $100 of debentures and 10 common shares. **Price**—By amendment. **Business**—The transportation of passengers, property and mail by air. **Proceeds**—For repayment of debts, working capital and general corporate purposes. **Office**—San Francisco International Airport, San Francisco. **Underwriters** — Walston & Co., Inc., New York, and Hooker & Fay, Inc., San Francisco (managing).

Pacific States Steel Corp.
June 21, 1961 filed 100,000 outstanding shares of capital stock (par 50 cents) to be sold by stockholders. **Price**—$6. **Business**—The manufacture of steel products. **Proceeds**—For the selling stockholder. **Office**—35124 Alvarado-Niles Road, Union City, Calif. **Underwriters**—First California Co., Inc., and Schwabacher & Co., San Francisco (managing).

Packer's Super Markets, Inc. (7/24-28)
May 25, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The operation of 22 retail self-service food stores in the New York City area. **Proceeds** — For general corporate purposes. **Office** — 25 53rd St., Brooklyn, N. Y. **Underwriters** — Milton D. Blauner & Co., Inc., and M. L. Lee Co., Inc., both of New York City (managing).

Palmetto Pulp & Paper Corp.
June 28, 1961 filed 1,000,000 common shares. **Price**—$3.45. **Business**—The growth of timber. **Proceeds**—For working capital and the possible purchase of a mill. **Address**—P. O. Box 199, Orangeburg, S. C. **Underwriter**—Stone & Co.

Pan American Resources, Inc.
May 11, 1961 (letter of notification) 40,000 shares of common stock (par $1). **Price**—$7 per share. **Office**—600 Glendale Federal Bldg., Glendale 3, Calif. **Underwriter**—Fred Martin & Co., 1101 Woodland Dr., Norman, Okla.

• Parish (Amos) & Co., Inc. (9/18)
June 23, 1961 filed 208,000 outstanding common shares. **Price**—By amendment. **Business**—Business advisors and consultants to specialty and department stores. **Proceeds**—For the selling stockholders. **Office**—500 Fifth Avenue, New York. **Underwriter**—The James Co., New York.

Parkview Drugs, Inc.
June 21, 1961 filed 141,000 common shares (par $1) of which 100,000 will be sold by the company and 41,000 by stockholders. **Price**—By amendment. **Business**—The operation of a chain of retail drug stores and licensed departments in closed-door membership department stores. **Proceeds**—For expansion. **Office**—2323 Grand Avenue, Kansas City, Mo. **Underwriter**—Scherck, Richter Co., St. Louis.

• Patent Resources, Inc. (8/1)
May 24, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized in November 1960 to acquire, exploit and develop patents, and to assist inventors in developing and marketing their inventions. **Proceeds**—For general corporate purposes. **Office** — 608 Fifth Ave., New York City. **Underwriters**—Darius, Inc., New York (managing); N. A. Hart & Co., Bayside, N. Y., and E. J. Roberts & Co., Inc., Ridgewood, N. J.

• Pell Pharmaceuticals, Inc. (8/14-18)
May 24, 1961 ("Reg. A") 150,000 common shares (par five cents). **Price**—$2. **Proceeds**—For equipment, expansion, inventory, and working capital. **Office**—1 Belmont Ave., Bala-Cynwyd, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia.

• Philadelphia Laboratories, Inc. (8/28)
May 26, 1961 filed 75,000 shares of common stock. **Price**—$8 per share. **Business**—The development, manufacture and sale of pharmaceuticals, vitamins and veterinary products. **Proceeds** — For the repayment of debt, and other corporate purposes. **Office** — 400 Green Street, Philadelphia, Pa. **Underwriter** — Woodcock, Moyer, Fricke, & French, Inc., Philadelphia.

Photographic Assistance Corp.
June 27, 1961 filed 150,000 common shares. **Price**—$1. **Proceeds**—For expansion, equipment and working capital. **Office**—1335 Gordon St., S. W., Atlanta, Ga. **Underwriters**—Globus, Inc., and Harold C. Shore & Co., Inc. New York (managing).

• Photronics Corp. (7/18)
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

• Pickwick Recreation Center, Inc.
May 23, 1961 filed 110,000 shares of common stock. **Price**—$5 per share. **Business**—The company is engaged in the real estate and construction business. **Proceeds**—Net proceeds, estimated at $444,000, will be used to buy land for shell homes construction and to start building the homes ($175,000), to repay a bank note ($65,000), with the balance for working capital. **Office**—Huntington Station, New York. **Underwriters**—Theodore Arrin & Co., Inc., Katzenberg, Sour & Co., and Underhill Securities Corp., all of New York City.

Pickwick Recreation Center, Inc.
April 21, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To pay for construction, working capital and, general corporate purposes. **Office**—921-1001 Riverside Drive, Burbank, Calif. **Underwriter**—Fairman & Co., Los Angeles, Calif. **Offering**—Expected in September.

Pilgrim Helicopter Services, Inc.
April 25, 1961 (letter of notification) 16,363 shares of common stock (par $1). **Price**—$5.50 per share. **Proceeds**—For general corporate purposes. **Office** — Investment Bldg., Washington, D. C. **Underwriter** — Sade & Co., Washington, D. C.

Plasticon Corp.
May 8, 1961 filed 665,666 shares of common stock, of which 90,666 shares are to be publicly offered, 25,000 shares are to be offered to Leyghton-Paige Corp., 150,000 shares are to be offered to Leyghton-Paige stockholders on the basis of one Plasticon share for each three Leyghton-Paige shares held, and 400,000 shares are to be offered to holders of the company's $1,200,000 of 5% promissory notes. **Price** — $3 per share, in all cases. **Business**—The manufacture of large plastic containers. **Proceeds**—To discharge the indebtedness represented by Plasticon's 5% promissory notes, with the balance for more equipment and facilities. **Office** — Minneapolis, Minn. **Underwriter**—None.

Polymetric Devices Co.
May 24, 1961 filed 90,000 shares of common stock. **Price**—$3.75 per share. **Business**—The company sells devices for the measurement or control of pressure, temperature, torque, acceleration, displacement, strain and force. **Proceeds**—For working capital. **Office**—130 South Easton Rd., Glenside, Pa. **Underwriter** — Weil & Co., Inc., Washington, D. C.

Polytronic Research, Inc.
June 7, 1961 filed 193,750 common shares, of which 150,000 will be sold for the company and 43,750 for stockholders. **Price**—By amendment. **Business**—Research and development, engineering and production of certain electronic devices for aircraft, missiles, oscilloscopes, electronic vending machines and language teaching machines. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—7326 Westmore Rd., Rockville, Md. **Underwriters**—Jones, Kreeger & Co., and Balogh & Co., Washington, D. C. (managing).

Precision Specialties, Inc.
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision instruments. **Proceeds**—To repay loans for construction, purchase of equipment; research and development, and working capital. **Office**—Hurffville, N. J. **Underwriter**—Harrison & Co., Philadelphia, Pa.

President Airlines, Inc.
June 13, 1961 ("Reg. A") 150,000 class A common shares (par one cent). **Price**—$2. **Business**—Air transportation of passengers and cargo. **Proceeds**—For payment of current liabilities and taxes; payment of balance on CAB certificate and working capital. **Office** — 630 Fifth Avenue, Rockefeller Center, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

Progress Industries, Inc.
June 26, 1961 filed 75,000 common shares (with warrants) of which 55,000 shares will be sold by the company and 20,000 by stockholders. **Price**—$10. **Proceeds**—For the payment of debt, the establishment of a new subsidiary, plant improvements and working capital. **Office**—400 E. Progress St., Arthur, Ill. **Underwriter**—Tabor & Co., Decatur, Ill. (managing).

• Progressitron Corp. (7/21)
June 9, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Manufacturers of electronic, electro mechanical and mechanical devices. **Proceeds**—For general corporate purposes. **Office**—14-25 128th St., College Point, N. Y. **Underwriter**—Netherlands Securities Co., New York.

★ Publishers Vending Services, Inc.
July 3, 1961 filed $600,000 of 5½% convertible subordinated debentures due 1971; 120,000 common shares which underlie 2-year first warrants exercisable at $7.50 per share, and 120,000 common shares which underlie 5-year second warrants, exercisable at $10 per share. The securities are to be offered for public sale in units of one $100 debenture, 20 first warrants and 20 second warrants. **Price**—$100 per unit. **Business**—The design, manufacture, sale and leasing of coin-operated vending machines for magazines, newspapers and paperback books. **Proceeds**—For the repayment of debt, advertising, sales promotion, and the manufacture of new machines. **Office**—1201 South Clover Drive, Minneapolis. **Underwriter**—D. H. Blair & Co., New York.

Pueblo Supermarkets, Inc.
June 6, 1961 filed 100,000 outstanding shares of class A common to be offered for public sale by stockholders. **Price**—By amendment. **Business**—Operates seven supermarkets in Puerto Rico. **Proceeds**—For the selling stockholders. **Office**—P. O. Box 10878, Caparra Heights, San Juan, P. R. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York. **Offering**—Expected in early August.

• Q-Line Instrument Corp. (7/14)
May 8, 1961 (letter of notification) 65,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—The manufacturers of technical equipment. **Proceeds**—For relocation of business; new equipment; expansion, and working capital. **Office** — 1562-61st St., Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Quality Importers, Inc.
June 1, 1961 filed 200,000 common shares. **Price** — By amendment. **Business**—Imports and distributes Scotch and Irish whiskeys. **Proceeds**—To repay loans and for working capital. **Office**—55 Fifth Ave., New York. **Underwriter**—Sutro Bros. & Co., New York.

Rabin-Winters Corp.
June 19, 1961 filed 180,000 common shares of which 80,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—The manufactuer of pharmaceuticals, cosmetics, lighter fluid and related items. **Proceeds**—To repay loans and for working capital. **Office**—700 N. Sepulveda Boulevard, El Segundo, Calif. **Underwriter**—H. Hentz & Co., New York.

Radiation Instrument Development Laboratory, Inc. (7/31-8/4)
June 1, 1961 filed 100,000 common shares, including 86,666 to be offered for sale by the company and 13,334 by stockholders. **Price**—By amendment. **Business**—Develops, designs and produces electronic instruments for the detection of atomic radiation. **Proceeds**—For working capital, and expansion. **Office** — 61 East North Ave., Northlake, Ill. **Underwriter**—Hayden, Stone & Co., New York City (managing).

• Ram Electronics, Inc. (7/14)
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—General Securities Co., Inc., 101 West 57th St., New York City. **Offering**—Imminent.

Ram Tool Corp.
June 9, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The manufacture of electrically powered tools. **Proceeds**—For working capital. **Office**—411 N. Claremont Ave., Chicago, Ill. **Underwriter**—Aetna Securities Corp., New York (managing).

Real Estate Investing Association, Inc.
May 22, 1961 filed $50,000,000 series A 6% 20-year participating notes to be issued in 2,000 units of $25,000 each. **Price**—At 100% of principal amount. **Business**—The company was organized in February 1961 to invest in first mortgages on income producing properties and in land on which buildings have been erected. **Proceeds**—For investment. **Office**—60 East 42nd St., New York City. **Underwriter**—None.

Reeves Broadcasting & Development Corp.
June 16, 1961 filed $2,500,000 of convertible debentures. **Price**—At par. **Business**—The operation of TV stations and recording studios and the development of real estate properties in North Carolina. **Proceeds**—For expansion, the repayment of loans, for working capital and other corporate purposes. **Office**—304 E. 44th St., New York. **Underwriter**—Laird & Co., Corp., Wilmington, Del. (managing). **Offering**—Expected in August.

• Reher Simmons Research Inc. (8/7)
May 8, 1961 filed 150,000 shares of capital stock. **Price**—$6 per share. **Business**—The research and development of processes in the field of surface and biochemistry. **Proceeds**—For plant construction, equipment, research and development, sales promotion and working capital. **Office**—545 Broad St., Bridgeport, Conn. **Underwriter**—McLaughlin, Kaufmann & Co., (managing).

★ Republic Aviation Corp.
July 11, 1961 filed 214,500 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of airplanes and ground support equipment. **Proceeds**—For the selling stockholders. **Address** — Farmingdale, L. I., N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York (managing).

Riverview ASC, Inc. (7/21)
May 18, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business**—Real estate and utility development in Florida. **Proceeds** — For expansion. **Office** — 2823 So. Washington Ave., Titusville, Fla. **Underwriter**—Albion Securities Co., Inc., New York.

Ripley Co., Inc. (7/17-21)
May 19, 1961 filed 82,500 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 57,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of photoelectric street light controls, centrifugal blowers and other electronic equipment. **Proceeds**—For new product development. **Office**—One Factory Street, Middletown, Conn. **Underwriter** — Dominick & Dominick, New York City (managing).

★ Roanwell Corp.
July 11, 1961 filed 150,000 shares of common stock of which 50,000 will be sold by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—The manufacture of electro-acoustical transducers in the voice communications field. **Proceeds** — For additional equipment, working capital and other corporate purposes. **Office**—180 Varick St., New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York.

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Roberts Lumber Co.
June 28, 1961 filed 55,000 common shares of which 20,000 shares are to be offered by the company and 35,000 shares by a selling stockholder. **Price**—By amendment. **Business**—The sale of building materials. **Proceeds**—For repayment of a loan and working capital. **Office**—2715 Market Street, Wheeling, W. Va. **Underwriter**—Arthurs, Lestrange & Co., Pittsburgh, Pa. (managing).

★ Rocky Mountain Natural Gas Co., Inc.
July 10, 1961 filed $1,500,000 of sinking fund debentures due 1981 (with attached warrants) and 150,000 common shares to be offered in 75,000 units, each consisting of $20 of debentures (with an attached warrant) and two common shares. **Price**—By amendment. **Proceeds**—For construction and general corporate purposes. **Office**—1726 Champa St., Denver. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York (managing).

Rodney Metals, Inc.
June 30, 1961 filed 140,000 common shares. **Price**—$10. **Proceeds** — For the repayment of debt and other corporate purposes. **Office**—261 Fifth Ave., New York. **Underwriter**—Amos Treat & Co., Inc., New York (managing).

Rowan Controller Co. (7/28)
May 29, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of industrial controls and electrical equipment. **Proceeds**—For the retirement of debt and product expansion. **Office**—2315 Homewood Avenue, Baltimore, Md. **Underwriter**—Stein Bros. & Boyce, Baltimore, Md. **Offering**—Expected mid to late July.

Royal School Laboratories, Inc.
June 23, 1961 filed 170,000 common shares. **Price**—$5. **Business**—The manufacture of special purpose laboratory furniture for schools. **Proceeds** — For expansion, general corporate purposes and working capital. **Office**—Meadow & Clay Sts., Richmond, Va. **Underwriter**—B. N. Rubin & Co., Inc., New York.

Rudd-Melikian, Inc.
June 16, 1961 filed 130,000 common shares. **Price**—$10. **Business**—The manufacture of automatic coffee dispensers and similar items. **Proceeds**—For repayment of loans, promotion and manufacture of a new product, working capital and general corporate purposes. **Office** — 300 Jacksonville Road, Hatboro, Pa. **Underwriter**—Stearns & Co., New York.

S. O. S. Photo-Cine-Optics, Inc.
June 29, 1961 filed $50,000 of 6% subordinated debentures due 1969 and 50,000 common shares to be offered in units consisting of $10 of debentures and 10 common shares. **Price**—$40 per unit. **Business**—The manufacturing, renting and distributing of motion picture and television production equipment. **Proceeds**—For new equipment, advertising, research and development, working capital and other corporate purposes. **Office**—602 W. 52nd St., New York. **Underwriter** — William, David & Motti, Inc., New York.

St. Clair Specialty Manufacturing Co., Inc.
June 19, 1961 filed 113,600 common shares of which 40,000 shares are to be offered by the company and 73,600 shares by stockholders. **Price**—By amendment. **Business** — The printing of gift wrap papers. **Proceeds** — For equipment and working capital. **Address**—120 Twenty-Fifth Ave., Bellwood, Ill. **Underwriters**—Stifel, Nicolaus & Co., St. Louis and Walston & Co., New York.

★ Sav-Mor Oil Corp.
July 5, 1961 ("Reg. A") 92,000 common shares (par one cent). **Price**—$2.50. **Business**—Wholesale distribution of gasoline and oil to service stations. **Proceeds**—For expansion. **Office**—151 Birchwood Park Dr., Jericho, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York.

★ Save-Tax Club, Inc.
July 6, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$2. **Business**—A plan to stimulate retail merchandising in New York City. Retail establishments who join the plan will give 3% discounts to members of the Save-Tax Club. **Proceeds**—For salaries to salesmen, advertising, public relations, additional employees, and working capital. **Office**—135 W. 52nd St., New York. **Underwriter**—B. G. Harris & Co., Inc., New York.

Science Capital Corp.
May 9, 1961 filed 450,000 shares of common stock. **Price**—$8 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Juniper & Walnut Sts., Philadelphia, Pa. **Underwriters**—Blair & Co., Inc., New York City; Stroud & Co., Inc., and Woodcock, Moyer, Fricke & French, Philadelphia, Pa.

Scully Recording Instruments Corp.
June 14, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The manufacture of precision recording equipment. **Proceeds**—For repayment of a loan, general overhead, equipment and working capital. **Office**—Bridgeport, Conn. **Underwriter**—Moran & Co., Newark, N. J.

Second Financial, Inc. (8/14-18)
June 20, 1961 filed 100,000 common shares. **Price**—$3. **Business** — The purchase of notes, mortgages, contracts, etc., from Shell Home Builders. **Proceeds**—For investment. **Office**—2740 Apple Valley Road, N. E., Atlanta, Ga. **Underwriter**—Globus, Inc., New York.

Security Acceptance Corp. (7/28)
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appliances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

Semicon, Inc.
June 30, 1961 filed 125,000 class A common shares. **Price**—By amendment. **Business**—The manufacture of semiconductor devices for military, industrial and commercial use. **Proceeds**—For equipment, plant expansion and new products. **Address**—Sweetwater Avenue, Bedford, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing).

● Service Photo Industries, Inc. (8/25)
May 26, 1961 filed 150,000 class A shares (par one cent). **Price** — $4. **Business** — The company, formerly Service Photo Suppliers, Inc., is engaged in the importation and distribution of a wide variety of photographic equipment. **Proceeds**—For the repayment of debt, advertising and sales promotion, and other corporate purposes. **Office**—33 East 17th St., New York. **Underwriter**—N. A. Hart & Co., Bayside, N. Y. (managing).

● Servonic Instruments, Inc. (7/24-28)
April 26, 1961 filed 95,000 shares of no par common stock, of which 50,000 shares are to be offered for public sale by the company and 45,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The research, design, development, manufacture and sale of precision devices consisting primarily of electromechanical transducers, for a variety of military, industrial and scientific uses. **Proceeds**—For new equipment, plant expansion and working capital. **Office**—1644 Whittier, Calif. **Underwriter** — C. E. Unterberg, Towbin Co., New York City.

Shell Oil Co. (7/19)
June 23, 1961 filed $200,000,000 of sinking fund debentures due 1986. **Price**—By amendment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—50 W. 50th St., New York. **Underwriter**—Morgan Stanley & Co., New York.

● Shelley Urethane Industries, Inc. (8/18)
May 24, 1961 filed 200,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The manufacture, converting and distribution of urethane foam products to industry. **Proceeds** — For expansion, new equipment, repayment of debt, and working capital. **Office**—4542 East Dunham St., City of Commerce, Calif. **Underwriter** — Garat & Polonitza, Inc., Los Angeles (managing). **Note**—This company plans to change its name to Urethane Industries International Inc.

● Shepard Airtronics, Inc.
April 26, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $4 per share. **Business**—The manufacture of high altitude breathing and ventilation equipment. **Proceeds**—For repayment of loans; new equipment, research and development, plant improvement, purchase of inventory, advertising and working capital. **Office** — 787 Bruckner Boulevard, Bronx, N. Y. **Underwriters**—L. C. Wegard & Co., 28 West State St., Trenton, N. J. (managing); L. J. Termo & Co., Inc., New York and Copley & Co., Colorado Springs, Colo. **Offering**—Imminent.

Sjostrom Automations, Inc.
June 28, 1961 filed 70,000 class A common shares. **Price**—$4. **Business** — The design, manufacture and sale of electronically controlled automation devices. **Proceeds**—For the repayment of debt, purchase of additional equipment and inventory, and working capital. **Office**—140 N. W. 16th St., Boca Raton, Fla. **Underwriter**—J. I. Magaril Co., Inc., New York.

Southern Growth Industries, Inc.
June 28, 1961 filed 100,000 common shares. **Price**—$6. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Poinsett Hotel Building, Greenville, S. C. **Underwriter**—Capital Securities Corp., Greenville, S. C.

Southern Realty & Utilities Corp.
May 26, 1961 filed $3,140,000 of 6% convertible debentures due 1976, with warrants to purchase 31,400 common shares, to be offered for public sale in units of $500 of debentures and warrants for five common shares. **Price**—At 100% of principal amount. **Business**—The development of unimproved land in Florida. **Proceeds**—For the repayment of debt, the development of property, working capital and other corporate purposes. **Office**—1674 Meridian Avenue, Miami Beach, Fla. **Underwriters** — Hirsch & Co., and Lee Higginson Corp., both of New York City (managing).

★ Space Products, Inc.
June 23, 1961 ("Reg. A") 60,000 common shares (par $1). **Price**—$5. **Proceeds**—For plant improvements and working capital. **Office**—49 Harbor Ave., Nashua, N. H. **Underwriter**—None.

● Space Technology & Research Corp. (7/24)
June 20, 1961 ("Reg. A") 300,000 common shares (par 10 cents). **Price**—$1. **Proceeds**—For repayment of debts, furniture and equipment, and working capital. **Office**—520 Midland Savings Bldg., Denver, Colo. **Underwriter**—Henry Fricke Co., New York.

Spectron, Inc.
June 9, 1961 filed 83,750 class A common shares (par 10 cents). **Price**—$4.50. **Business**—The design, development and manufacture of electronic systems, instruments and equipment, including microwave, radar and underwater communication devices. **Proceeds** — For purchase of equipment, plant expansion, patent development and general corporate purposes. **Office**—812 Ainsley Bldg., Miami, Fla. **Underwriter**—Hampstead Investing Corp., New York (managing).

Speed-O-Print Business Machines Corp. (7/17-21)
May 24, 1961 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company manufactures and sells office copy-making machines and accessories. **Proceeds** — To pay off notes in the amount of $422,826, with the balance for general corporate purposes. **Office**—Chicago. **Underwriter**—Rodman & Renshaw, Chicago (managing).

Spellman Engineering, Inc. (7/17-21)
June 6, 1961 filed 150,000 common shares. **Price** — By amendment. **Business**—The servicing of missiles. **Proceeds** — For the repayment of a loan and for working capital. **Office**—722-32 Brookhaven Drive, Orlando, Fla. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville.

Spencer Laboratories, Inc.
May 1, 1961 (letter of notification) 1,624 shares of class A common stock (no par) to be offered for subscription by stockholders on the basis of four shares for each five shares held, with the unsubscribed shares to be sold to the public. **Price**—To stockholders, $100 per share; to the public, $110 per share. **Business**—Manufacturers of Pharmaceuticals. **Proceeds** — For testing new products, inventories; marketing and general corporate purposes. **Office**—10 Pine St., Morristown, N. J. **Underwriter**—E. T. Andrews & Co., Hartford, Conn.

● Staff Business & Data Aids (7/14)
April 17, 1961 (letter of notification) 100,000 shares of capital stock (par 10 cents). **Price**—$3 per share. **Business**—The supplying of temporary office personnel. **Proceeds**—To purchase assets of Rapid Computing Co., Inc. and for general corporate purposes. **Office**—122 E. 42nd Street, New York, N. Y. **Underwriter**—Hancock Securities Corp., New York, N. Y.

Star Homes, Inc.
June 28, 1961 filed $500,000 7% subordinated debentures due 1971 and 200,000 common shares to be offered in units, each unit consisting of $50 of debentures and 20 common shares. **Price**—$100 per unit. **Business**—The construction and sale of shell homes. **Proceeds**—For repayment of loans, advances to a subsidiary, establishment of branch sales offices and working capital. **Office**—336 S. Salisbury Street, Raleigh, N. C. **Underwriter**—D. E. Liederman & Co., Inc., New York (managing).

Sterile Medical Products, Inc.
June 2, 1961 ("Reg. A") 120,000 common shares (par 10 cents). **Price**—$2.50. **Business**—The sharpening of surgical blades. **Proceeds**—For general corporate purposes. **Address**—Jamesburg, N. J. **Underwriter**—Louis R. Dreyling & Co., New Brunswick, N. J.

Stratoflex, Inc.
June 8, 1961 filed 120,000 common shares. **Price** — By amendment. **Business** — The manufacture of hydraulic and pneumatic type hose, primarily for the aircraft and missile industries. **Proceeds**—For repayment of loans, and working capital. **Address** — P. O. Box 10398, Fort Worth, Tex. **Underwriter**—First Southwest Co., Dallas.

Stratton Corp.
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

Strouse, Inc.
June 27, 1961 filed $600,000 of 6% convertible subordinated debentures due 1981. **Price**—At par. **Proceeds**—For plant expansion, working capital and other corporate purposes. **Office** — Basin and Cherry Sts., Norristown, Pa. **Underwriter**—H. A. Riecke & Co., Philadelphia (managing).

Sun Valley Associates
March 30, 1961 (letter of notification) $205,000 of limited partnership interests to be offered in units of $5,000, or fractional units of not less than $2,500. **Proceeds**—For working capital. **Address** — Harlingen, Texas. **Underwriter**—Nat Berger Associates, Inc., New York City.

Super-Temp Corp.
June 15, 1961 ("Reg. A") 100,000 common shares (no par). **Price**—$3. **Proceeds**—For repayment of debts, purchase of new equipment, research and development and working capital. **Office**—2024 W. 15th St., Long Beach, Calif. **Underwriter**—Morgan & Co., Los Angeles.

Superstition Mountain Enterprises, Inc. (8/15)
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

Supronics Corp.
May 29, 1961 filed 90,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the distribution of wholesale electrical equipment and supplies. **Proceeds** — For the repayment of bank loans and other corporate purposes. **Office**—224 Washington St., Perth Amboy, N. J. **Underwriters**—Amos Treat & Co., Inc., and Standard Securities Corp., both of New York City and Bruno-Lenchner, Inc., Pittsburgh, Pa.

Suval Industries Inc. (7/24-28)
April 27, 1961 filed 125,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—$4 per share. **Business**—The manufacture of supported vinyl plastic sheeting for the automobile, furniture and clothing industries. **Proceeds**—For additional equipment, product expansion and

working capital. **Office**—Cantiagua Road, Westbury N. Y. **Underwriters** — Milton D. Blauner & Co., and Brukenfeld & Co., both of New York City.

● Swanee Paper Corp.
June 29, 1961 filed 150,000 common shares, of which 35,000 shares are to be offered by the company and 115,000 shares by the stockholders. **Price**—By amendment. **Business**—The production of tissue paper products. **Proceeds**—For general corporate purposes. **Office**—205 E. 42nd St., New York. **Underwriter**—Blair & Co., Inc., New York (managing). **Offering**—Expected in late Aug.

Swingline Inc. (7/17-21)
June 14, 1961 filed 200,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of stapling machines. **Proceeds** — For the selling stockholders. **Office**—32-00 Skillman Ave., Long Island City, New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York (managing).

T. F. H. Publications, Inc.
June 22, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—$5. **Business**—The publishing of books, pamphlets and magazines. **Proceeds**—For repayment of loans, production of new garden books, installation of air-conditioning and working capital. **Office**—245-247 Cornelison Ave., Jersey City, N. J. **Underwriter**—Arnold Malkan & Co., Inc., New York.

T-Bowl International, Inc.
June 15, 1961 filed 400,000 common shares, of which 325,000 shares are to be offered by the company and 75,000 shares by stockholders. **Price**—By amendment. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—27 B Boulevard, East Paterson, N. J. **Underwriter**—Peter Morgan & Co., New York.

● T. V. Development Corp.
May 26, 1961 filed 100,000 shares of common stock. **Price** —$5 per share. **Business**—The manufacture and sale of replacement knobs for television sets. **Proceeds**—For the repayment of debt, the expansion of product lines and working capital. **Office**—469 Jericho Turnpike, Mineola, N. Y. **Underwriters** — Kesselman & Co., and Brand, Grumet & Seigel, Inc., New York (managing). **Offering** —Expected in late July.

● Taddeo Bowling & Leasing Corp. (7/21)
March 31, 1961 filed $600,000 of 8% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Road, Rochester, N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing).

Taffet Electronics, Inc. (7/17-21)
April 28, 1961 filed 132,000 shares of common stock. **Price** — $3 per share. **Business** — The manufacture of electronic equipment, principally electronic test equipment, partial electronic systems and assemblies, and the fabrication of electronic components, for use primarily in the communications field. **Proceeds**—For additional equipment, capital improvements and working capital. **Office**—27-01 Brooklyn Queens Expressway, Woodside N. Y. **Underwriters**—Fialkov & Co., Inc. (managing); Stanley Heller & Co., Amos Treat & Co., Inc., all of New York City.

Taft Broadcasting Co. (7/17-21)
May 26, 1961 filed 376,369 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The operation of TV and radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office** —1906 Highland Avenue, Cincinnati, Ohio. **Underwriter** —Harriman Ripley & Co., Inc., New York City (managing).

Tassette, Inc. (7/24-28)
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price** —$12 per share. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn.. **Underwriter**—Amos Treat & Co., Inc., New York City (managing); Bruno-Lenchner, Inc., Pittsburgh; and Karen Securities Corp., New York City.

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business** —The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subidivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle St., Chicago. **Sponsor**—John Nuveen & Co., Chicago.

Taylor-Country Estate Associates
June 12, 1961 filed $2,420,000 of limited partnership interests. **Price**—$10,000 per unit. **Business**—The partnership will acquire all the outstanding stock of five apartment houses in Newark, East Orange and Jersey City, N. J. **Proceeds**—For general corporate purposes. **Office** —420 Lexington Ave., New York City. **Underwriter**—Nat Berger Associates, Inc., New York.

Technical Materiel Corp.
June 30, 1961 filed 50,000 outstanding common shares. **Price** — By amendment. **Business** — The design, manufacture and sale of components for high frequency radio communications. **Proceeds**—For the selling stockholder. **Office**—700 Fenimore Rd., Mamaroneck, N. Y. **Underwriter**—Kidder, Peabody & Co., New York.

Techno-Vending Corp.
June 9, 1961 ("Reg. A")100,000 class A common shares (par one cent). **Price**—$3. **Business**—The manufacture of coin-operated vending machines. **Proceeds**—For repayment of loans; sales promotion and advertising; expansion; purchase of raw materials; research and development, and working capital. **Office**—599 Tenth Avenue, New York. **Underwriter**—International Services Corp., Paterson, N. J.

★ TelePrompTer Corp.
July 6, 1961 filed $5,000,000 of convertible subordinated debentures due 1976. **Price**—By amendment. **Business**—The manufacture of communication systems and equipment. **Proceeds**—For repayment of loans and working capital. **Office**—50 W. 44th St., New York. **Underwriter** —Bear, Stearns & Co., New York (managing).

Templet Industries Inc.
June 2, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—$3. **Business**—Licenses patents to diemakers and metal parts manufacturers. **Proceeds**—For working capital and general corporate purposes. **Office**—701 Atkins Ave., Brooklyn 8, N. Y. **Underwriter**—Levien, Greenwald & Co., New York.

Templeton Damroth Corp.
March 30, 1961 filed $445,000 of 5½% convertible debentures, due 1969. **Price** — 100% of the principal amount. **Business** — The management and distribution of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia, Pa. **Offering**—Expected in late July.

Tennessee Investors, Inc.
May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—$12.50 per share for the public offering and $11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds** — To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Terry Industries, Inc.
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., New York City.

Texas Capital Corp. (8/4)
June 16, 1961 filed 1,000,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds** — For investment. **Office** — 104 E. Eighth St., Georgetown, Tex. **Underwriter** — Dempsey-Tegeler & Co., Inc., St. Louis.

Texas Eastern Transmission Corp.
June 7, 1961 filed $30,000,000 of debentures due July 1, 1981 and 200,000 shares of subordinated convertible preferred ($100 par). **Proceeds**—For the repayment of debt and for construction. **Office**—Memorial Professional Bldg., Houston. **Underwriter**—Dillon, Read & Co., New York (managing). **Note**—This offering was temporarily postponed.

Textilfoam, Inc.
June 23, 1961 filed 130,000 common shares of which 100,000 shares are to be offered by the company and 30,000 shares by the stockholders. **Price**—By amendment. **Business** — The lamination of a synthetic foam to fabrics. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—200 Fair St., Palisades Park, N. J. **Underwriters**—Flomenhaft, Seidler & Co., Inc., and Street & Co., Inc., New York (managing).

Thermo-Chem Corp.
June 14, 1961 filed 130,000 common shares. **Price**—$4.50. **Business**—The manufacture of coatings for fabrics. **Proceeds**—To repay a loan, and purchase equipment, for research and development, administrative expenses and working capital. **Office** — Noeland Ave., Penndel, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

★ 30 North La Salle Street Realty Fund
July 3, 1961 filed 200,000 shares of beneficial interests. **Price**—$5. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—30 N. LaSalle St., Chicago. **Underwriter**—None.

Thoroughbred Enterprises, Inc. (7/24-28)
June 2, 1961 filed 85,000 common shares. **Price**—$4. **Business** — The breeding of thoroughbred race horses. **Proceeds**—To purchase land, build a stable, and buy additional horses. **Office**—8000 Biscayne Blvd., Miami, Fla. **Underwriter**—Sandkuhl & Co., Inc., Newark, N. J., and New York City.

● Trans-Aire Electronics, Inc.
June 1, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$2.75. **Business** — Manufacturers and importers of transistorized radios, phonographs and similar electronic products. **Proceeds**—For removal to larger quarters; purchase of tools and dies; research and development; repayment of loans and working capital. **Office** —195-02 Jamaica Ave., Jamaica 23, N. Y. **Underwriters** —Bertner Bros. and Earl Edden Co., New York. **Offering**—Imminent.

● Transcontinent Television Corp.
May 25, 1961 filed 400,000 outstanding shares of class B common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The operation of six television and seven radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office** — 70 Niagara St., Buffalo, N. Y. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Bear, Stearns & Co., both of New York City (managing). **Offering**—Expected in late July.

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

Trans-World Financial Co.
June 26, 1961 filed 185,000 common shares of which 75,000 shares are to be offered by the company and 110,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company with subsidiaries in the savings and loan, real estate and insurance fields. **Proceeds** — For repayment of loans and working capital. **Office**—9460 Wilshire Blvd., Beverly Hills. **Underwriter** —William R. Staats & Co., Los Angeles (managing).

● Transvision Electronics, Inc. (8/7)
June 29, 1961 filed 140,000 common shares. **Price**—By amendment. **Business**—The manufacture of specialized TV equipment. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—460 North Avenue, New Rochelle, N. Y. **Underwriter**—Adams & Peck, New York.

Tresco, Inc.
June 5, 1961 filed 100,000 common shares. **Price**—$5. **Business**—Manufactures transformers for electronic equipment. **Proceeds**—For the repayment of debt, research and development, to finance a new subsidiary and for other corporate purposes. **Office**—3824 Terrance St., Philadelphia. **Underwriter**—Amos Treat & Co., New York (managing). **Offering**—Expected in September.

● Triangle Instrument Co. (7/24)
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Drive and Cedar Place, Syosset, L. I., N. Y. **Underwriter** —Armstrong & Co., Inc., New York City. **Offering**—Imminent.

Tri Metal Works, Inc.
June 29, 1961 filed 68,000 outstanding common shares to be offered by the stockholders. **Price**—At the market. **Business** — The designing, converting and equipping trucks used in sale of ice cream, etc. It also engages in the research, design and manufacture of vacuum furnaces, ovens and components in the fabrication of metal equipment for the food, pharmaceutical and chemical industries. **Proceeds**—For the selling stockholders. **Office**—Bennard & Warrington Sts., East Riverton, N. J. **Underwriters**—R. L. Scheinman & Co., New York and Blaha & Co., Inc., Long Island City, N. Y.

Trinity Funding Corp.
June 19, 1961 filed 250,000 common shares. **Price**—$6. **Business**—A consumer and industrial finance company. **Proceeds**—For working capital. **Office**—1107 Broadway, New York. **Underwriter**—Trinity Securities Corp., 40 Exchange Place, New York.

Tungsten Mountain Mining Co.
April 7, 1961 (letter of notification) 400,000 shares of common stock (par 25 cents). **Price** — 62½ cents per share. **Proceeds**—For mining expenses. **Office**—511 Securities Bldg., Seattle, Wash. **Underwriter**—H. P. Pratt & Co., Inc., Seattle, Wash.

Turbodyne Corp.
May 10, 1961 filed 200,000 shares of common stock. **Price** —$2 per share. **Business** — The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

★ Turf & Paddock, Inc.
June 26, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For working capital. **Office**—One State St., Boston. **Underwriter**—Shawe & Co., Inc., Washington, D. C.

Union Electric Co. (7/25)
June 23, 1961 filed $30,000,000 of first mortgage bonds due 1991. **Proceeds**—For expansion. **Office**—315 N. 12th Blvd., St. Louis 1, Mo. **Underwriters** — (Competitive) Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids** — July 25 at 11 a.m. (EDST). **Information Meeting**—July 24, 11 a.m. (EDST) at Bankers Trust Co., 16 Wall Street, New York.

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Union Leagues, Inc.
June 28, 1961 filed $700,000 of 7% subordinated sinking fund debentures due 1976 (with attached warrants) and 140,000 common shares to be offered in units consisting of 80 common shares and $400 of debentures. **Price**—$800 per unit. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, acquisition of a warehouse and working capital. **Office**—11459 E. Imperial Highway, Norwalk, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles.

● **United Foods, Inc. (7/14)**
May 25, 1961 filed 125,000 shares of common stock. **Price**—$8.50 per share. **Business**—The storing of grain for a U. S. Government agency; cold storage warehousing; the freezing, packaging and marketing of vegetables; the freezing and packaging of shrimp; the feeding and marketing of fattened cattle, and the operation of a small business financing company. **Proceeds**—For expansion and working capital. **Office**—1235 Shadowdale, Houston, Tex. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

United Investors Corp.
May 26, 1961 filed 76,109 shares of class A stock. **Price**—$10 per share. **Business**—The company plans to acquire 15 realty properties in eight states. **Proceeds**—For the repayment of debt, property acquisitions, and working capital. **Office**—60 E. 42nd Street, New York City. **Underwriter**—None. **Offering**—Expected in mid-August.

U. S. Fiberglass Products Co.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to manufacture fiberglass shingles, beams, purlin and other materials. **Proceeds** — For working capital, inventory and equipment, and sales promotion. **Office** — Clarkville, Texas. **Underwriter**—Hauser, Murdock, Rippey & Co., Dallas, Texas.

U. S. Home & Development Corp. (7/17-21)
May 11, 1961 filed 300,000 shares of class A capital stock. **Price**—To be supplied by amendment. **Business** — The planning, development and marketing of single-family-home communities in New Jersey. **Proceeds**—For the repayment of loans, purchase of land and development of properties. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

★ **U. S. Plastic & Chemical Corp.**
July 11, 1961 filed 125,000 common shares. **Price** — By amendment. **Business**—The manufacture of plastic materials for use by the button and novelty industries. **Proceeds**—For the repayment of debt, expansion, and working capital. **Office** — Metuchen, N. J. **Underwriter**—Adams & Peck, New York.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in the fall of 1961.

Universal Health, Inc.
June 14, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business** — The operation of a chain of health studios. **Proceeds**—For expansion, advertising, financing of time payment memberships and other corporate purposes. **Office**—15A South Main St., West Hartford, Conn. **Underwriter**—Cortlandt Investing Corp., 120 Wall St., New York.

● **Universal Manufacturing Co. (7/24-28)**
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders. **Price** — $2 per share. **Proceeds** — For working capital. **Office**—516 W. 4th Street, Winona, Minn. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

Universal Moulded Fiber Glass Corp.
June 18, 1961 filed 275,000 outstanding common shares to be sold by stockholders. **Price**—$10. **Business**—The manufacture of fiber glass reinforced plastic. **Proceeds**—For the selling stockholders. **Address**—Commonwealth Ave., Bristol, Va. **Underwriter**—A. G. Edwards & Sons, St. Louis (managing).

Universal Publishing & Distributing Corp.
June 28, 1961 filed 50,000 6% cumulative preferred shares (par $10) and 50,000 common shares to be offered in units, each consisting of one preferred share and one common share. **Price**—$15 per unit. **Business**—The publishing of magazines and paper bound books. **Proceeds**—For expansion, additional personnel, sales promotion, working capital and other corporate purposes. **Office**—117 E. 31st Street, N. Y. **Underwriter**—Allen & Co., New York.

Uris Buildings Corp.
June 2, 1961 filed 159,403 outstanding shares of common to be offered for sale by stockholders. **Price**—By amendment. **Business**—The construction, operation and leasing of office buildings. **Proceeds**—For the selling stockholders. **Office**—850 Third Ave., New York. **Underwriter**—Kuhn, Loeb & Co., New York (managing).

Vacu-Dry Co.
June 27, 1961 filed 400,000 common shares. **Price**—By amendment. **Proceeds** — For expansion, repayment of bank loans and working capital. **Office** — 950 56th St., Oakland, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco (managing).

Valley Title & Trust Co.
June 13, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The writing and selling of title insurance and the acting as trustee and escrow agent. **Proceeds**—For working capital, reserves and other corporate purposes. **Office**—1001 North Central Ave., Phoenix, Ariz. **Underwriter** — Louis R. Dreyling & Co., 25 Livingston Ave., New Brunswick, N. J.

● **Vatronic Lab. Equipment, Inc.**
May 29, 1961 filed 80,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture of industrial high vacuum systems and equipment. **Proceeds** — For the repayment of debt, plant expansion, equipment, sales promotion and working capital. **Office**—Northport, N. Y. **Underwriter** — Stanley R. Ketcham & Co., New York. **Offering**—Expected in late July.

Vendaversal Manufacturing Corp.
June 9, 1961 ("Reg. A") 300,000 common shares (par 50 cents). **Price**—$1. **Proceeds**—For operating expenses and working capital. **Office**—210 E. Manville St., Compton, Calif. **Underwriter**—Amos C. Sudler & Co., Denver.

Versapak Film & Packaging Machinery Corp. (7/14)
March 30, 1961 filed 150,000 shares of common stock and 150,000 five-year warrants, to be offered for public sale in units of one share of stock and one warrant. **Price**—$3.125 per unit. **Business**—The design, development and sale of versatile automatic equipment for packaging items in special heat-shrinkable film. **Proceeds**—To repay loans, for additional equipment and inventory; and for working capital. **Office**—928 Broadway, New York City. **Underwriters**—Hill, Thompson & Co. (managing); Hampstead Investing Corp., and Globus, Inc., all of New York City.

Vic Tanny Enterprises, Inc. (7/17-21)
May 11, 1961 filed 320,000 shares of class A common stock (par 10 cents) of which 120,000 shares will be offered for the account of the company and 200,000 shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Proceeds**—The company will use its part of the proceeds for the opening of new gymnasiums and the promotion of home exercise equipment. **Office**—375 Park Ave., New York City. **Underwriter**—S. D. Fuller & Co., New York City.

Vinco Corp. (7/24-28)
May 19, 1961 filed $2,000,000 of 6% convertible subordinated debentures due 1976. **Price**—At 100% of principal amount. **Business**—The production of gauges and measuring instruments and the manufacture of precision parts and subassemblies for the aircraft, missile and other industries. **Proceeds**—For the repayment of debt, expansion, working capital and reserves for possible future acquisitions. **Office**—9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City (managing).

★ **Wagner Baking Corp.**
July 5, 1961 filed 50,637 outstanding common shares. **Price**—At-the-market. **Business**—The manufacture of pies, cakes and other pastries and the distribution of frozen foods. **Proceeds**—For the selling stockholders. **Office**—13 Vesey St., Newark. **Underwriter**—None.

Wainrite Stores, Inc.
June 23, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The operation of discount merchandising centers. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—691 E. Jericho Turnpike, Huntington Station, N. Y. **Underwriter**—Omega Securities Corp., New York.

● **Walter Sign Corp. (9/15)**
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

Washington Engineering Services Co., Inc.
June 29, 1961 filed 375,000 common shares. **Price**—$1. **Business**—The servicing of manufacturing companies and engineering professions, through various training programs. **Proceeds**—For leasehold improvement, repayment of loans and working capital. **Office**—4915 Cordell Avenue, Bethesda, Md. **Underwriter**—None.

Washington Water Power Co. (7/25)
June 20, 1961 filed 160,000 common shares. **Price**—By amendment. **Proceeds**—For repayment of loans and construction. **Office** — E. 1411 Mission Avenue, Spokane, Wash. **Underwriters**—Kidder, Peabody & Co.; Blyth & Co., Inc., and White, Weld & Co., New York and Dean Witter, San Francisco.

● **Wayne Manufacturing Co. (7/17)**
May 29, 1961 filed 40,000 outstanding shares of capital stock to be offered for public sale by the present holders thereof. **Business**—The design, manufacture and sale of industrial sweepers. **Price** — To be supplied by amendment. **Office** — 1201 E. Lexington St., Pomona, Calif. **Underwriters**—Mitchum, Jones & Templeton, Los Angeles and Schwabacher & Co., San Francisco (managing).

Wej-It Expansion Products, Inc. (7/14)
May 4, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For plant and facilities, moving equipment, inventory, working capital and repayment of a loan. **Office**—4 S. Santa Fe Dr., Denver, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

West Coast Bowling Corp.
May 26, 1961 filed 128,434 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 13,434 outstanding shares by the present holders thereof. **Price**—$9.75 per share. **Business**—The company plans to acquire and operate bowling centers primarily in California. **Proceeds**—For general corporate purposes. **Office**—3300 West Olive Avenue, Burbank, Calif. **Underwriter**—Hill Richards & Co. Inc., Los Angeles (managing).

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

● **Western Growth Corp.**
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by selling stockholders after trading commences. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Ave., Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City. **Note**—This registration was withdrawn July 10, 1961.

Wetterau Foods, Inc.
June 27, 1961 filed 100,000 common shares. **Price**—By amendment. **Proceeds**—For new equipment and working capital. **Office** — 7100 Englewood Ave., Hazelwood, Mo. **Underwriter** — G. H. Walker & Co., Inc., New York (managing).

● **Williams Brothers Co. (7/17)**
May 19, 1961 filed 350,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The construction of pipelines and other aspects of the heavy construction industry. **Proceeds**—For the selling stockholders. **Office**—National Bank of Tulsa Building, Tulsa, Okla. **Underwriter**—Reynolds & Co., Inc., New York City (managing).

● **Wonderbowl, Inc. (7/21)**
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

● **World Color Press, Inc. (7/17)**
May 16, 1961 filed 218,000 shares of common stock of which 203,000 shares will be offered to the public and 15,000 shares to employees. **Price**—To be supplied by amendment. **Business**—The printing of magazines and newspapers. **Proceeds**—To selling stockholders. **Office**—420 DeSoto Ave., St. Louis Mo. **Underwriters**—Scherck, Richter Co., and Dempsey-Tegeler & Co., both of St. Louis, Mo. (managing).

XTRA, Inc.
June 28, 1961 filed 182,570 common shares of which 160,000 shares are to be offered by the company and 22,570 shares by stockholders. **Price**—By amendment. **Business**—The leasing of truck trailers to railroads or customers of railroads. **Proceeds**—For repayment of debt and for working capital. **Office**—150 Causeway Street, Boston. **Underwriter**—Putnam & Co., Hartford, Conn. (managing).

York Research Corp.
June 28, 1961 filed 75,000 class A shares. **Price**—By amendment. **Business**—The testing of industrial and consumer products. **Proceeds**—For the establishment of a new laboratory and the purchase of equipment. **Office**—1 Atlantic Street, Stamford, Conn. **Underwriter**—Allen & Co., New York (managing).

● **Youngwood Electronic Metals, Inc.**
April 13, 1961 filed 75,000 shares of common stock. **Price**—$4 per share. **Business**—The design, development and manufacture of precision parts or stampings principally used in the semi-conductor industry. **Proceeds**—For the repayment of debt; inventory; research and development, and working capital. **Office** — 204 North Fifth Street, Youngwood, Pa. **Underwriters**—Bruno-Lenchner, Inc., Pittsburgh and Amos Treat & Co., New York City. **Offering**—Imminent.

Prospective Offerings

Adrian Steel Co.
June 30, 1961 it was reported that a "Reg. A" will be filed with the SEC shortly covering 100,000 common shares (par 50c). **Price**—$3. **Business**—Automotive fabricating. **Proceeds**—To establish a new industrial air conditioner division. **Office**—Adrian, Mich. **Underwriter**—Morrison & Frumin, Inc., Detroit.

All American Airways Co.
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock. **Price**—$4 per share. **Office**—Danbury, Conn. **Under-**

writer—Edward Lewis Co. Inc., New York City (managing).

Arizona Public Service Co.
May 26, 1961 it was reported that this company is considering the sale of about $5,000,000 of preferred stock this summer and about $35,000,000 of first mortgage bonds in November. **Proceeds**—For construction. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be named. The last sale of preferred stock on June 18, 1958 was made privately through Blyth & Co., and the First Boston Corp. The last sale of bonds on March 26, 1959 was also handled privately through Blyth & Co., and First Boston Corp. However, the company stated that there is a possibility that these bonds will be sold at competitive bidding, in which case the following are expected to bid on them: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Blyth & Co.; White, Weld & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.

Assembly Engineers, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares. **Price** — $3. **Office** — Los Angeles, Calif. **Underwriter**—California Investors, Los Angeles.

Beam-Matic, Inc.
May 24, 1961 it was reported that this company plans a full filing shortly covering 100,000 shares of common stock. **Price**—$3 per share. **Business**—The manufacture and sale of hospital equipment. **Office**—25-11 49th Street, Astoria, L. I., N. Y. **Underwriter**—First Weber Securities Corp., New York City.

Carbonic Equipment Corp.
June 28, 1961 it was reported that a "Reg. A" will be filed covering 100,000 common shares. **Price** $3. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter** — R. F. Dowd & Co., Inc.

Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Cincinnati Gas & Electric Co.
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourtin & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

Columbia Gas System, Inc.
April 24, 1961 it was reported that this company is considering the sale of either $20,000,000 of debentures, or $25,000,000 of common stock in the fall. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders on the debentures: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). The last sale of common stock on May 4, 1960 was handled by a group headed by Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co., and Carl M. Loeb, Rhoades & Co.

Columbus & Southern Ohio Electric Co.
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co.

★ Commonwealth Edison Co.
July 12, 1961 it was reported that the company plans to spend $720,000,000 on construction in the five-year period 1961-65 and that the program would require $150,000,000 of outside financing. Present plans call for $40,000,000 of debt financing in 1962 and about $20,000,000 in each of the following three years. No common or preferred stock financing is planned during the period. **Office** — 72 West Adams St., Chicago 90, Ill. **Underwriters** — To be determined by competitive bidding. Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.

Consolidated Edison Co. of New York, Inc.
May 16, 1961, H. C. Forbes, chairman, stated that the company must issue almost $100,000,000 of securities in late 1961 and early 1962. He added that if the company decides to issue any of the 1,000,000 shares of cumulative preference stock approved by shareholders at the May 15 annual meeting, it will be on the basis of convertibility into common with subscription rights to common shareholders. **Office**—4 Irving Place, New York City. **Underwriter**—To be named. The last rights offering to stockholders (of debentures) on Jan. 28, 1959 was underwritten by Morgan Stanley & Co., and First Boston Corp., both of New York City. The last sale of bonds on Nov. 23, 1960 was handled by First Boston Corp., and Halsey, Stuart & Co., Inc. (jointly). Morgan Stanley & Co., also bid competitively on this issue.

Cosmetically Yours, Inc.
May 16, 1961 it was reported that this corporation is contemplating a public offering. **Business**—The manufacturing and sale of cosmetics. **Office** — 15 Clinton Street, Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., New York City.

Contact Lens Guild, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering an undisclosed number of common shares. **Business**—The manufacture of contact lenses. **Office**—353 East Main St., Rochester, N.Y. **Underwriter**—To be named.

Cowles Magazine & Broadcasting, Inc.
May 3, 1961 it was reported that this corporation will issue stock later this year. The firm denied the report. **Business** — Publishing and allied fields. **Office** — 488 Madison Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Dixie Pipeline Co.
April 17, 1961 it was reported that this firm, recently formed by eight major oil companies, plans to build a 1,100 mile liquified petroleum gas pipeline from Texas and Louisiana to Mississippi, Alabama, Georgia and the Carolinas. It is expected that the multi-million dollar pipeline will be financed in part by the sale of bonds and that it will be in operation by late 1961. **Office**—Tulsa, Okla. **Underwriters**—First Boston Corp.; Morgan Stanley & Co.; Carl M. Loeb, Rhoades & Co.

Exploit Films, Inc.
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing).

First National Bank of Toms River (N. J.)
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire Aug. 17. **Price**—About $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

Florida Power & Light Co.
May 11, 1961, it was reported that the company may issue bonds in the second half of 1961 to finance its current $40,000,000 construction program. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Gabriel Co.
April 27, 1961, the company announced plans to form a new subsidiary, Rocket Power, Inc., by merging the present Rocket Power, Talco and Bohanan divisions. In the fall of 1961, stock of the new subsidiary would be offered through subscription rights to Gabriel stockholders and debenture holders with about 20% of the offering going to the public. **Office** — 1148 Euclid Avenue, Cleveland, Ohio. **Underwriters**—To be named. The last financing by the company in September, 1959, was handled by Carl M Loeb, Rhoades & Co., New York City and Prescott, Shepard & Co., Inc., Cleveland.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in December 1961. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

General Telephone Co. of Florida
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

Gluckin (Wm.) & Co., Inc.
April 19, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 common shares. **Business**—Manufactures and sells women's foundation garments. **Underwriter**—To be named.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec. 7, 1961.

Hollywood Artists Productions, Inc.
June 20, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The production of motion picture and TV feature films. **Proceeds** — For working capital and other corporate purposes. **Office**—350 Lincoln Road, Miami Beach, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

Hygrade Packing, Inc.
June 28, 1961 it was reported that this company plans to sell about $500,000 of common stock. **Business**—The manufacture of industrial and consumer packaging. **Proceeds**—For expansion. **Office**—92-00 Atlantic Avenue, Ozone Park, N. Y. **Underwriter**—P. J. Gruber, N. Y.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the fourth quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Offering**—Expected in late or early November.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

John's Bargain Stores Corp.
May 17, 1961 it was reported that this company plans to file a registration statement shortly covering an undisclosed number of common shares. **Business**—The operation of a chain of discount stores selling household goods. **Office**—1200 Zerega Ave., Bronx, N. Y. **Underwriter**—To be named.

Macrose Industries
May 2, 1961 it was reported that this company, formerly named Macrose Lumber & Trim Co., Inc., plans a full filing of about 500,000 common shares (par $1). **Business**—The company owns a chain of lumber yards on Long Island. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y. **Underwriter**—To be named.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

Metropolitan Food Co.
April 12, 1961 it was reported that this company plans to sell 100,000 common shares. **Price** — $5 per share. **Business** — Food distribution. **Proceeds** — For working capital. **Office** — 45-10 Second Ave., Brooklyn, N. Y. **Underwriters**—Brand, Grumet & Siegel, and Kesselman & Co., Inc., New York City (managing).

Metropolitan Telecommunications Corp.
July 5, 1961 it was reported that a fully registered seconday offering of this firm's stock will be made in September. **Office**—Ames Court, Plainview, L. I., New York. **Underwriter**—M. L. Lee & Co., Inc., New York (managing).

Micro-Precision Corp.
June 19, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 common shares. **Price**—$3. **Business**—The development and manufacture of language laboratories for the electronics educational field and the manufacture of electronic and microwave components. **Proceeds**—For working capital and expansion. **Office**—55 9th Street, Brooklyn, N. Y. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York.

Milo Components, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" covering 150,000 common shares (par 10-cents). **Price**—$1. **Business**—The manufacture of components for the missile and aircraft industries. **Proceeds**—For expansion, equipment, and working capital. **Office**—9 Cleveland St., Valley Stream, N. Y. **Underwriter**—T. M. Kirsch & Co., New York.

Mississippi Power Co.
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey,

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Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Note** — June 28, 1961 it was announced that this financing has been temporarily postponed.

Missouri Utilities Co.
April 11, 1961 it was reported that this company plans to sell about 50,000 additional common shares to stockholders in September or October on a 1-for-10 rights basis. **Office**—400 Broadway, Cape Girardeau, Mo. **Underwriter**—To be named. The last five rights offerings to stockholders were underwritten by Edward D. Jones & Co., St. Louis.

Monterey Gas Transmission Co.
April 24, 1961 it was reported that Humble Oil & Refining Co., a subsidiary of Standard Oil Co. of New Jersey, and Lehman Brothers, had formed this new company to transport natural gas from southwest Texas to Alexandria, La., for sale to United Fuel Gas Co., principal supplier to other Columbia Gas System companies. It is expected that the pipeline will be financed in part by public sale of bonds. **Underwriter** — Lehman Brothers, New York City (managing).

National Airlines, Inc.
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during thier respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

New England Power Co. (10/25)
Jan. 20, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Bids**—To be received on Oct. 25, 1961.

Northern Natural Gas Co.
March 15, 1961, it was reported that some $12,000,000 to $15,000,000 of common stock will be sold to stockholders through subscription rights in September or October. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha 1, Neb. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Northern Pacific Ry. (8/1)
June 19, 1961 it was reported that this company plans the sale of about $7,200,000 of equipment trust certificates. **Office**—120 Broadway, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—To be received on Aug. 1, 1961.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $20,000,000 to $40,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California St., San Francisco 8, Calif.

• Pacific Telephone & Telegraph Co.
June 30, 1961 the company turned over its business and assets in Washington, Oregon and Idaho to Pacific Northwest Bell Telephone Co., a new subsidiary. The company plans to offer about 56% of the stock of Pacific Northwest to stockholders through subscription rights in late September with the balance being offered to them within three years. Pacific Northwest Bell expects to sell a large issue of debentures publicly in from six to nine months. **Office** — 140 New Montgomery St., San Francisco, Calif. **Underwriter**—(For the rights offering) None. However, A. T. & T., which owns about 90% of the Pacific Tel's outstanding shares plans to exercise its rights to subscribe to its pro rata share of the offering. (Debentures) Competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., and First Boston Corp.

Pan American World Airways, Inc.
May 8, 1961 it was reported that the CAB ordered this company to sell its 400,000 share holdings of National Airlines, Inc., and to file a plan of sale with the board within 30 days. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., New York City. **Underwriter**—To be named.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

Pennsylvania Power & Light Co.
April 11, 1961 it was stated in the 1960 annual report that this utility expects to spend $140,000,000 on new construction in the 1961 to 1965 period, of which about $56,000,000 will have to be raised through the sale of securities. However, the company now sees no necessity for the sale of equity securities, but expects to convert its present $35,000,000 of bank loans to long-term debt when securities market conditions are favorable. **Office**—9th and Hamilton Streets, Allentown, Pa. **Underwriters**—To be named. The last four bond issues were sold privately. The last public offering of bonds on Oct. 4, 1945 was underwritten by Smith, Barney & Co.; First Boston Corp.; Dillon, Read & Co., Inc., and associates.

Penthouse Club, Inc.
June 1, 1961 it was reported that this company plans to issue 60,000 common shares. **Price**—$5. **Business**—The operation of dining clubs. **Proceeds**—For expansion and working capital. **Office**—15th and Locust St., Philadelphia. **Underwriter**—To be named.

★ Producing Properties, Inc.
July 12, 1961 it was reported that stockholders had voted to increase authorized common stock from 3,000,000 to 5,000,000 shares. Robert J. Bradley, chairman, stated that the company intends to sell sufficient common shares to net $5,000,000 after commissions and expenses, subject to approval of the SEC. **Business**—The purchase and operation of oil and gas properties. **Proceeds** — For the development of underground reserves. **Office**—35th floor, Southland Center, Dallas, Tex. **Underwriters**—To be named. The last offering of common and debentures in November 1954 was underwritten by Hemphill, Noyes & Co., and Shields & Co., New York and Rauscher, Pierce & Co., Dallas.

Public Service Co. of Colorado
Dec. 2, 1960, W. D. Virtue, treasurer, stated that company plans the sale of about $20,000,000 of common stock to be offered stockholders through subscription rights in the fourth quarter. **Proceeds**—For expansion. **Office**—900 15th St., Denver, Colo. **Underwriter**—Last equity financing handled on a negotiated basis by First Boston Corp.

• Redwing Carriers, Inc.
June 28, 1961 it was reported that this company had filed a plan with the ICC covering a proposed sale by certain stockholders of 200,000 common shares. **Business**—A truck, tank car transporter. **Office**—7809 Palm River Rd., Tampa, Fla. **Underwriter**—Beil & Hough, Inc., St. Petersburg, Fla. **Offering**—Expected about mid-August.

Rochester Gas & Electric Corp. (9/27)
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received about Sept. 27.

Sel-rex Corp.
May 16, 1961 it was reported that this firm is contemplating its first public financing. **Business** — Precious metals manufacturing. **Office**—75 River Road, Nutley, N. J. **Underwriter**—To be named.

Southern California Edison Co.
May 23, 1961 it was reported that this company will need an additional $35,000,000 to finance its 1961 construction program. No decision has yet been made as to whether the funds will be raised by bank loans, or the sale of preferred stock or bonds. **Office**—601 West Fifth St., Los Angeles, Calif. **Underwriter**—To be named. The last sale of preferred stock on May 12, 1948 was handled on a negotiated basis by First Boston Corp., New York City and associates. The last sale of bonds in April 1961 was bid on by Blyth & Co.; First Boston Corp., Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Equitable Securities Corp. (jointly).

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly). **Offering**—Expected in October.

Southern Pacific Co. (7/26)
June 26, 1961 it was reported that this company plans to sell about $4,845,000 of equipment trust certificates. **Office**—165 Broadway, New York. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—Expected on or about July 26.

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Tampa Electric Co.
May 10, 1961 it was reported that this company plans to spend over $80,000,000 on new construction in the next three years. No financing is planned this year but in 1962 the company may issue bonds or common stock. **Office**—111 No. Dale Mabry Hwy., Tampa, Fla. **Underwriters**—To be named. The last sale of bonds on June 29, 1960 was handled by Halsey, Stuart & Co. Inc., New York City. Other competitive bidders were Merrill Lynch, Pierce, Fenner & Smith Inc.; Goldman, Sachs & Co.; Stone & Webster Securities Corp. The last sale of common stock on Feb. 13, 1960 was made through Stone & Webster Securities Corp.

Tower Construction Co.
July 5, 1961 it was reported that a registration statement will be filed shortly covering an undisclosed number of common shares. **Price**—$10 per share. **Business**—The installation and maintenance of radar, micro-wave relay and broadcast antenna towers for military and commercial use. **Office** — 2700 Hawkeye Drive, Sioux City, Iowa. **Underwriter** — C. E. Unterberg, Towbin & Co., New York (managing). **Offering**—Expected in Aug.

Trunkline Gas Co.
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $32,000,000 of bonds and $10,000,000 of pfd. stock in Sept. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15,000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

West Coast Telephone Co.
April 11, 1961 it was stated in the 1960 annual report that the company plans to spend $12,000,000 for new construction in 1961, most of which is expected to be raised by the sale of securities. **Office**—1714 California St., Everett, Wash. **Underwriter**—To be named. The last sale of bonds and preferred stock in May and July 1960 was done privately. The last sale of common on Sept. 16, 1960 was underwritten by Blyth & Co., Inc., New York City.

West Penn Power Co.
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Drive, Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers; Eastman Dillon, Union Securities & Co., and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Western Union Telegraph Co.
Feb. 28, 1961 it was reported that the FCC has approved the company's plan to transfer its Atlantic cable system to a newly organized company, Western Union International, Inc. The plan provides for the issuance by Western Union International of about $4,000,000 of subordinated debentures and 400,000 shares of class A stock to be offered to stockholders of Western Union Telegraph Co. in units of $100 of debentures and 10 shares of stock. In addition, American Securities Corp., New York City, would purchase from Western Union International about 133,000 additional shares of class A stock giving American Securities ownership of approximately 25% of the outstanding class A stock of WUI. Then Western Union Telegraph woud purchase 250,000 shares of class B stock for $100,000 and WUI would sell $4,500,000 of debentures or bonds. **Office** — 60 Hudson Street, New York City. **Underwriter**—American Securities Corp. (managing).

Western Union Telegraph Co. (9/8)
June 13, 1961 it was reported that stockholders are to vote Aug. 2 on increasing the authorized common stock from 7,000,000 to 10,000,000 shares to provide for sale of about 1,070,000 shares to stockholders on the basis of one new share for each six shares held. Based on the current market price of the company's stock, the sale would raise over $45,000,000. **Proceeds**—To help finance the company's 1961, $105,000,000 expansion program. **Office**—60 Hudson St., New York. **Underwriters**—To be named. The last rights offering in July 1955, was underwritten by Kuhn, Loeb & Co.; Lehman Brothers; Clark, Dodge & Co., and Salomon Brothers & Hutzler, New York. **Registration**—Expected about July 12.

Wisconsin Power & Light Co.
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office** — Sheridan Springs Road, Lake Geneva, Wis. **Underwriter**—The Milwaukee Co., Milwaukee, Wis. (managing).

Gen. Acceptance Deben. Offered

An underwriting group headed jointly by Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co. is offering publicly a $15,000,000 issue of General Acceptance Corp. 5% convertible subordinated debentures due 1981. The debentures are priced at 100% and accrued interest to yield approximately 5% to maturity.

The debentures are convertible at any time prior to July 1, 1971 into common stock at an initial price of $25.75 per share. Optional redemption prices for the debentures range from 105% to the principal amount. They are also redeemable through operation of a sinking fund on and after July 1, 1971 at the principal amount.

The corporation operates 270 offices in 32 states and in Puerto Rico. For the three months ended March 31, 1961 the total volume of finance, instalment loan and rediscount business of the corporation was $94,718,441. For the year 1960 the volume was $286,211,418 and for 1959 it was $244,109,787.

For 1960 total income was $27,935,196 and consolidated net income applicable to common stock was $2,427,515 compared to $23,753,208 and $2,146,719 for 1959.

Southeastern Capital Corp. Common Sold

Paine, Webber, Jackson & Curtis is the manager of an underwriting group offering publicly today (July 13) a new issue of 500,000 shares of common stock of Southeastern Capital Corp. The price is $12.50 per share.

Southeastern Capital is a closed-end, non-diversified management investment company and is a Federal licensee under the Small Business Investment Act of 1958.

Known formerly as Tennessee Investors, Inc., the company has to date operated on a limited scale. As of March 31, 1961, a total of $165,000 has been advanced to small businesses. Southeastern Capital has its headquarters in Nashville.

Among the company's present stockholders are a number of prominent businessmen and 42 Tennessee banks.

On completion of the current offering, and assuming full exercise by underwriters of an option, Southeastern Capital will have outstanding a maximum of 592,060 shares of common stock.

Sica Skiffs Stock Sale

Public offering of 100,000 common shares of Sica Skiffs, Inc., at $10 per share is being made by Warner, Jennings, Mandel & Longstreth, Philadelphia. Proceeds will be used by the company for the repayment of debt, the development of retail outlets, property improvements and working capital.

The company with headquarters in Toms River, N. J., is engaged in manufacturing sea skiffs, a type of inboard power boat capable of traveling in the open ocean. The boats are sold at list prices which range from approximately $3,000 to $35,000. Authorized stock consists of 500,000 no par common shares of which 387,000 will be outstanding upon completion of this sale.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Finance Isn't All a Man's Domain

During the past decade many women have become actively engaged in practically every phase of the investment business. There are opportunities for qualified women in both the research and sales departments of investment and brokerage firms. Clerical work has broadened career activities for women with the advent of highly technical equipment now in use. But more important is the gradual admission on the part of many men in the securities business, who were formerly prejudiced when it came to hiring women representatives, or research analysts, that possibly they were short-sighted when they refused to even consider qualified women for such positions of responsibility. Today, some of the mosts productive work is being done by women who are registered representatives, and in some cases exceptional analytical results are also the direct contribution of women engaged in specialized financial research.

Meet "M. B."

The purpose behind this week's theme came to me recently when I had an opportunity to review the career of a woman who has been investing and managing investments for the past 30 years. The thought I wish to convey is simply this—don't close the door on a capable applicant for a position in your sales department, or your research department, just because you have the mistaken idea that the securities business is exclusively a man's world — you may miss one of the best additions to your organization you will ever be able to discover. You might even miss someone like "M. B."—and this, in brief, is her story.

Turn the clock back to around 1928. It was then that a thriving business employed a young lady as a secretary to one of its senior officers. With the advent of the depression the business was gradually liquidated and the partners, who were related through family ties, became less active. Finally most of the brothers moved to Europe and the business gradually converted into an investment organization that was conducted for the benefit of its absentee owners. Today, this senior officer is still active, and with his loyal and capable secretary they manage a fortune that totals many millions, which they created over the years through their skillful judgment of security values from what was a most modest beginning.

During the depression this team worked together in the consummation of 26 separate reorganization proceedings. The senior officer was at one time consultant for one of the nation's largest banks in this highly important work. During this entire period, his secretary worked with him and when I asked her to tell me some of the rules she follows today in managing millions of dollars worth of investments for others, and also a substantial investment portfolio of her own, she quickly replied, "Buy into companies where values exist." The training acquired during those years when judgment demanded a knowledge of values has paid off during the years that have followed.

Here's another factor that she stressed, and this she proudly mentioned she had learned from her tutor and mentor who had worked with her all these years, "Take your cost out, if you have a sound growth situation, and you still like it. We've done well by selling off enough of our position to take out our cost, then hold what remains. Of course, it hasn't always worked, but over the years we have fabulous profits today in certain situations that we never would have accumulated if we had not followed this policy." Several other points that were made by this very able and experienced woman investor were: "Try and acquire a feeling for 'mass psychology.' There are new industries, trends, changes that take place in our way of life and in our industrial development, new methods of retailing, new inventions, leisure activities, all these great mass movements become trends and within these industries are outstanding companies. Seek them out and stay with them while they prosper." And then she concentrated a moment and summed it up like this, "During those years when I worked with my friend and my boss, from whom I've learned so much, I think I discovered how to do my own individual thinking. When we worked on those reorganizations (back in the Thirties) and we had to study balance sheets, take inventories, judge values and try and determine whether a business could be saved, should be bought, or put under the hammer, you had to make your own decisions. You learned not to be influenced too much by others and this also has been helpful in managing securities."

Long before I met "M. B." I knew her boss, and when I finally met her I knew why this team had succeeded in building a significant fortune from a modest start during the past 30 years. Here were two people who knew how to work together—and it is still a joy and a pleasure to talk with them — because they know their business even though they are still making some mistakes—just as you and I. But above all —they respect each other.

This is a true story, and I only hope that the next time a capable woman applicant for an important job in somebody's investment firm comes along she won't hear, "Sorry, but we have a rule, we just don't hire women for that kind of work." That firm might be missing another "M. B.," and in my book it would darn well serve them right.

Renaire Foods Securities Sold

P. W. Brooks & Co., Inc. is manager of an underwriting group offering today (July 13) $700,000 of Renaire Foods, Inc. debentures, 6½% convertible series due 1976, at 100%, plus accrued interest, and 150,000 shares of common stock at $6 per share (of which 25,000 are being sold by selling stockholders).

The debentures are convertible into common stock at $6.50 per share on or before June 1, 1966; at $7.25 per share thereafter until June 1, 1971; and at $8 per share thereafter until maturity.

For the year 1960, the company had net sales of $7,364,796 and net income of $206,311, equal to 59 cents per share on the shares then outstanding. Upon completion of current financing, outstanding capitalization of the company will consist of 700,000 of 6½% convertible debentures due 1976; 475,000 shares of common stock; and $115,000 of miscellaneous funded debt.

Diamond Crystal Salt Company Common Sold

Kidder, Peabody & Co., heads an underwriting group making a secondary offering today (July 13) of 300,000 shares of Diamond Crystal Salt Co. common stock priced at $23 per share. The shares are being offered for the account of certain selling stockholders and none of the proceeds will be received by the company.

Diamond Crystal is one of the three largest salt producers in the United States and is engaged in the production and sale of both flake and granulated evaporated salt and rock salt. Sales are made primarily in 30 eastern states. Approximately 73% of sales are made directly for use in food processing, animal feeding, chemical manufacturing and other industrial applications. The remaining 27% of sales are made through retail outlets.

For the fiscal year ended March 31, 1961 the company reported gross sales of $26,582,082 and net income of $1,500,880, compared with $24,844,459 and $1,372,625, respectively, for the preceding fiscal year. Per share earnings for fiscal 1961 were $1.51, or $1.35 adjusted for the issuance of common stock upon exercise of options subsequent to March 31, 1961.

Nat. Mercantile Common Offered

A syndicate jointly managed by Rodetsky, Kleinzahler, Walker & Co., Inc. and A. T. Brod & Co., offered on July 12, 100,000 shares of National Mercantile Corp. common stock and warrants to purchase 20,000 shares of common stock. These are offered in units in the ratio of one warrant for every five shares of common stock, priced at $6.75 per unit. Shares and warrants are separately transferable immediately. Proceeds from the sale will be used for the repayment of loans and for working capital.

Major portion of the company's business consists of wholesale and retail distribution of phonograph records and pre-recorded tapes. Its head office is located at 1905 Kerrigan Ave., Union City, N. J.

The Security I Like Best

Continued from page 2

holding at year-ago levels despite the recession and heavy declines in the industry as a whole. Sales, climbing sharply since December, moved in March close to the highest level for the month in the history of the company.

Indicative of management optimism is the ordering some six months ago, in the depths of the recession, of a second tubing mill which represents an investment of some $150,000. As Epps emerges from the recession stronger than ever, this foresight will enable the company to advance firmly onto what should be a new and substantially higher sales plateau.

While Epps Industries, Inc., is no "glamour" stock, it does represent, in my opinion, a truly solid value. It may be regarded as something of an investment "gem" as yet undiscovered by the investing public, especially as an unusual capital gains vehicle for individuals.

Science Resources, Inc. Common Sold

Lewis Wolf, Inc., and Marshall, Roberts & Co., Inc., New York City, are making a public offering of 100,000 common shares of Science Resources, Inc., at $3 per share. Proceeds will be used by the company for expansion of the business.

The company of One Story St., Cambridge, Mass., is engaged in the furnishing of business management to consulting scientists and the arranging of financing for science companies.

C. L. Jones Opens

SANTA MONICA, Calif.—Charles L. Jones is engaging in a securities business from offices at 528 Arizona Avenue.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—The railroads, economically groggy and holding onto the ropes from the competition from the trucking industry, have won a great victory.

The Interstate Commerce Commission has given the railroads a "ball the jack" signal on piggyback freight rates. This is a tremendous victory for the railways.

At the same time the far-reaching ICC action is a setback for the trucking industry. The trucking industry had captured a substantial portion of the mass freight business from the railroads in the first place.

In the future the railroads are going to get some of that business back. The ICC decision was not only favorable for the railroads, it was a just decision in favor of the American public which pays the freight bill.

President Jervis Langdon, Jr., of the Baltimore & Ohio Railroad, is one of the nation's foremost advocates of rate-making freedom. He has long felt, as have some laymen as well as the railroad industry generally, that the railroads have been over-regulated.

Blow to Hoffa

"This decision recognizes the right of railroads," said Mr. Langdon, "to make competitive rates that contribute to net earnings—over and above the long - term variable cost of moving the traffic—and that this right cannot be denied because trucks may be adversely affected. . . . The decision explodes 'the factual base' upon which the truckers, along with Mr. Hoffa, (head of the powerful Teamsters' Union) have been pressing for . . . the so-called Bartlett Bill. This bill should now be buried forever."

Mr. Langdon said the railroads would be through as private enterprises if they don't reflect their cost advantage in truck-competitive and water-competitive rates. The railroads are mass transportation carriers, and they can stand to meet competition if permitted to meet trucking competition.

The Baltimore & Ohio's new president is regarded as an articulate advocate of realistic pricing. He is a staunch advocate for freedom to meet such pricing competition. Appearing before the Senatee Commerce Committeee in opposition to the socalled Hoffa bill, Mr. Langdon predicted that nationalization will definitely come to the railroads if they are denied the right to attract traffic by passing on their lower cost to shippers.

It would be a very sad day for the United States to have its railroads nationalized or Federalized. They did so much in developing the United States by linking the East with the West and the North with the South.

Historic Decision

B & O President Langdon, who is a railroad man's railroad President, warned Congress that the roads "are almost through now." Nevertheless, he tossed out a suggestion how the law - makers might alleviate the plight of the railroads. He recommended legislation to collect adequate user charges for the publicly-provided transport facilities, and repeal of the Interstate Commerce Act's agricultural and bulk-commodity exemptions. These, in turn, leave unregulated the trucking of farm products and the transportation by water of commodities in bulk.

The Interstate Commerce Commission decision legalizing the piggyback hauling of freight-hauling commodity-laden trailers on railway flat cars, etc. — is a mighty step forward for the rail carriers to meet the ever-increasing number of trucks that choke the highways.

The decision also paved the way for additional forwarder volume rates which are rates published by freight forwarders on the basis of their own use of the railroads' rates.

The ICC decision involved so-called Plan III and Plan IV. Plan III is the piggyback service on the rail flat cars of trailers furnished by the shippers, and Plan IV contemplates that flat cars as well as trailers will be furnished by shippers.

A supporter of the railroads in the issues was a trade association known as the Private Carrier Conference of American Trucking Associations. Summarizing the conference's position, the ICC said it "requests us to find that there is a definite and urgent need for the type of piggyback service offered under Plans III and IV; that to deny the railroads the right to provide the service would deprive the shippers of their freedom of choice in selecting a mode of transportation."

Carriers on Offensive

The railroads generally made up their minds some time ago that they had to take their gloves off and really go after the business and try to regain some of that lost to truckers. The ICC decision should prove to be an added impetus to them. The railroads maintain that there are many types of freight they can transport cheaper than trucks and by water, if given the chance.

For instance the Baltimore & Ohio is setting up a new study group. It will review the road's traffic potential, commodity by commodity, in an effort to find out if they can get some lost business back.

Still another B & O project is a proposal calling for increased tunnel clearances. With an idea of expanding piggybacking, President Langdon has an idea that the service could be expanded somewhat by getting into tri-level-car operations. He feels that tri-level-car operations would increase car mile earnings substantially.

Both the shipper and the buyer are obviously interested in cheaper rates, particularly when it involves a complete door-to-door service. A lot of the traffic lost by the railroads has been by private trucking operations, which will continue with more and more multi-laned highways being built.

The ICC in its important report declared that the different piggyback services appear solutions to the problem of arresting the diversion of long-haul traffic from railroad to highway service.

Approval of the piggybacking should prove to be a truly substantial victory for the railroads which want to remain investor-owned.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"I think I've found the reason for the sudden drop in our customers!"

COMING EVENTS

IN INVESTMENT FIELD

Sept. 8, 1961 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Sept. 13, 1961 (Denver, Colo.)
Rocky Mountain Group Investment Bankers Association meeting.

Sept. 14-15, 1961 (Cincinnati, Ohio)
Cincinnati Municipal Dealers Group annual fall outing at Queen City Club and Kenwood Country Club.

Sept. 15-17, 1961
Pacific Northwest Group of Investment Bankers Association, meeting at Hayden Lake, Idaho.

Sept. 20-21, 1961 (Omaha, Neb.)
Nebraska Investment Bankers' Association annual field day.

Sept. 29, 1961 (Philadelphia, Pa.)
Bond Club of Philadelphia 36th annual field day at the Philmont Country Club, Philmont, Pa.

Oct. 4, 1961 (New York City)
New York Group of Investment Bankers Association meeting.

Oct. 7, 1961 (New York City)
Security Traders Association of New York annual dinner dance at Hotel Commodore.

Oct. 9-10, 1961 (Denver, Colo.)
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 9-12, 1961 (Rochester, N. Y.)
National Association of Bank Women Annual Convention at the Sheraton Hotel.

Oct. 10, 1961 (Toronto)
Canadian Group of Investment Bankers Association meeting.

Oct. 13, 1961 (Montreal, Canada)
Canadian Group of Investment Bankers Association meeting.

Oct. 13-15, 1961 (White Sulphur Springs, W. Va.)
Southeastern Group of Investment Bankers Association meeting.

Oct. 15-18, 1961 (San Francisco, Calif.)
American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.)
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Oct. 17, 1961 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 19, 1961 (Pennsylvania)
Western Pennsylvania Group of Investment Bankers Association meeting at Rolling Rock, Pa.

October 20-21, 1961 (Milwaukee, Wis.)
National Association of Investment Clubs 11th annual national convention at the Hotel Schroeder.

Greene & Ladd Branch

RICHMOND, Ind.—Greene & Ladd has opened a branch office in the Leland Hotel under the management of Carl F. Bargmann.

Gordon Bros. to Admit

Gordon Bros. & Co., 80 Pine Street, New York City, members of the New York Stock Exhange, on Aug. 1 will admit Murray Dorfman to partnership.

The COMMERCIAL and FINANCIAL CHRONICLE

ESTABLISHED 1839 | Reg. U. S. Pat. Office

Volume 194 Number 6072 New York 7, N. Y., Thursday, July 13, 1961 Price 50 Cents a Copy In 2 Sections — Section 2

Jasper Park Lodge, Jasper Park, Alberta, was the site of IDA's 45th Annual Convention

I·D·A OF CANADA: 45TH ANNUAL CONVENTION JASPER PARK, ALTA. JUNE 22-25, 1961

THE INVESTMENT DEALERS' ASSOCIATION OF CANADA

45TH ANNUAL MEETING

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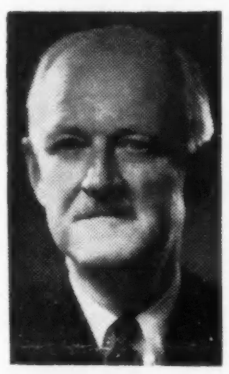

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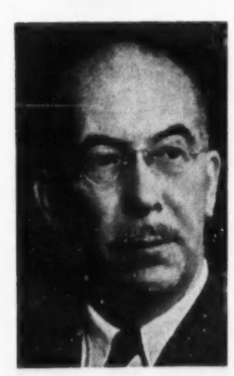

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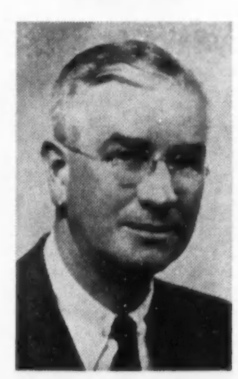

Harry L. Gassard
The Investment Dealers' Association of Canada

Canada's Economic Problems Are Readily Solvable

By Eric S. Morse,* *Vice-Chairman, W. C. Pitfield & Co., Limited, Montreal, Canada; Retiring President, Investment Dealers' Association of Canada*

Uncertain as to whether his government has or has not damaged financial relations with foreign investors, Mr. Morse urges nothing further be done to discourage any capital inflow vital to future development. The investment dealers' spokesman calls for an augmented effort to channel more of the increased personal income into investments, and flays the Federal Government's deficit financing for the poor example it sets when it should provide the leadership for greater savings. In placing the facts of Canada's problem in perspective, the investment banker notes: (1) the balance of payments is within manageable bounds and that self-correcting forces are at work; (2) the emergence of a significant decline in the relative importance of business investment as against housing and social capital needs; (3) utmost need to rectify lagging productivity.

I would like to deal with a few problems which have plagued the Canadian economy in recent years. To give the picture, as I see it, I will endeavor first to outline the economic or business setting in which we find ourselves; give an opinion on some of the difficulties arising out of our international balance of payments; and, finally, indicate how Investment Dealers can make a significant contribution to the solution of these difficulties by stimulating saving, and by channeling it into effective forms of investment.

Eric S. Morse

It is indeed unfortunate that the long-awaited Federal Budget has not yet been made known to us—as perhaps these comments might be somewhat more enlightening.

There have been four cyclical interruptions in Canada's fabulous postwar expansion. The first came in 1949, when the pent-up demand for consumer goods arising out of wartime restrictions became pretty well satisfied. That recession (it was more of a pause than a recession) was terminated abruptly by the outbreak of the Korean War in 1950 which caused an inflationary spiral of world demand for virtually all of Canada's basic resources.

The letdown from the war-inspired and artificial boom came in 1954. It was brief and it was mild. Sharp recovery followed in 1955, sparked by the greatest capital spending program in the nation's history. It was also accompanied by a sharp increase in export trade.

The tempo of this greatest of all economic booms accelerated all through 1956 and carried over into 1957. Then its steam began to run out. Late in 1957 it was fully apparent that a third postwar interruption of our economy's growth was in course. Most of the economic indicators in 1958 were moving sideways or showing modest declines. But, like the two earlier recessions, this one was brief and not severe. Recovery made in 1959. Business generally underwent another cycle of significant expansion. Major elements in the 1959 resurgence were a major capital expenditure outlay, a 10% increase in exports and a 5% increase in domestic retail trade. Gross National Product in 1959 showed a strong quarterly growth trend, and the year's total was 7% ahead of 1958.

The fourth postwar economic expansionist wave began to wobble in the second quarter of 1960, when GNP showed its first decline since the fourth quarter of 1957. Capital expenditures declined last year—so did exports. Retail sales flattened out. Corporation profits dropped by some 6%. Unemployment rose sharply to record postwar highs. The seasonally adjusted index of industrial production in July, 1960 was the lowest in 17 months.

Nevertheless this fourth postwar recession has not been as serious as some forecasters had predicted. Despite the slowing down, national production increased by 3.2% in 1960. More Canadians were at work than ever before. Personal income and personal expenditures on goods and services continued to rise.

Rise in Unemployment

In terms of unemployment, however, this most recent readjustment period has been considerably more spectacular than the earlier periods. During last year the annual average of unemployed persons, based on Canada's present yardstick, was 7% of the labor force. In the first quarter of 1961 it averaged more than 11%. This has been the result, largely, of the marked increase in the labor force which was up by more than 7% in the first quarter of 1961 over the first quarter of 1960. Moreover, a large number of the unemployed are young and unskilled persons who have not completed secondary school education. There is still a distinct shortage of skilled personnel in many industries.

We are now confronted with the paradox of high unemployment—relatively the highest since the depressed '30s — at a time when employment, national production, exports, personal income, capital and consumer expenditures are at or near record levels. I venture to predict that unemployment will be a continuing problem because of automation and general change in the character of the Canadian economy.

To place the present state of our economy in proper perspective, I think that we should re-examine the underlying forces that have put us where we are. There have been three successive waves of capital inflow since World War II. Each period of expansion in those years shows capital investment accounting for an ever larger proportion of Gross National Product. During the period 1956-57 total capital investment provided more than 27% of GNP, the largest, relatively, since before World War I and substantially larger than in the United States and in western Europe in the same period.

Developments abroad exerted major influences on our postwar expansion. Much of the capital inflow was the result of resource development in this country by foreign corporations seeking long-term supplies of low-cost raw materials. The impact of this new investment was such that it necessitated immigration and imports of capital goods at levels greater than since the opening decade of the century. Naturally, our international balance of payments position has reflected the heavy capital inflow.

The balance of payments deficit on current account with other countries was $1,270 million last year, most of which was on non-merchandise items. Although concern has been expressed about the magnitude of this current account deficit, **it is not a new situation.** Our net international indebtedness and deficit on non-merchandise account are smaller now relative to GNP than during most of the period between 1900 and the outbreak of Warld War II. It is my view that the present situation is neither new or unmanageable. Of course, a price must be paid for the inflow of capital that has enabled this country to achieve unprecedented prosperity and high standards of living. Part of the price is the foreign control of so much of Canada's productive capacity. Most recent figures show that more than half of the manufacturing, petroleum and natural gas, and mining and smelting industries is foreign-controlled. The economic and political importance of this situation in my view has been overstressed.

Balance of Payments Problem Not Too Bad

Returning to the balance of payments situation, I think that an examination of our commodity trade position is re-assuring. Between mid-1956 and mid-1957 our merchandise trade deficit was just under $900 million. In the calendar year 1959 the deficit had fallen to less than $400 million. In 1960 it was less than $150 million. In the first quarter of this year it was nominal. There are, I think,, good reasons to expect a trade surplus which will help to finance the growing deficit on the non-merchandise balance of payments items. Frankly, I believe that our so-called balance of payments problem is well within

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The Columbia River Project

By Dean Gordon M. Shrum,* O.B.E., M.M., E.D., M.A., Ph.D., F.R.S.C., Chairman of the British Columbia Energy Board

As a physicist and not as the Energy Board's Chairman Mr. Shrum presses for the building of the world's largest single hydro-electric power plant in British Columbia at an estimated Canadian cost of $1 to $1.5 billion compared to $478 million share of the St. Lawrence waterway. The Energy Board's financial and engineering report is to be submitted in August and Mr. Shrum sees little doubt that British Columbia will go ahead with either the Columbia or Peace, or both, projects. The energy expert calls for the repeal of the anachronistic, self-defeating Electricity and Fluids Exportation Act of 1907; castigates the burning up of irreplaceable resources when there is this enormous, available water power being wasted; denies term contracts for recapturable power cannot be enforced; and foresees utilization in southern B. C. and expanding California markets. Mr. Shrum compares hydro, thermal and nuclear power, which he expects will be competitive in 10 years, and urges there be no delay in this hydro-electric project.

It is quite understandable that Canadian investment dealers and others, should be interested in large scale hydro-electric developments. They require investments of millions, even billions, of dollars. If the Columbia River Treaty is ratified by Canada it will initiate not only one of the largest single industrial projects ever undertaken by Canadians, but the largest single hydro-electric project ever developed by any nation. The total expenditure for the Canadian section only of the completed Columbia project will be of the order of $1.5 billion. In comparison Canada's share of the St. Lawrence waterway was $300 million for power and $178 million for navigation. The first phase of Canada's share of the Columbia is approximately $450 million. The problems associated with the financing of the project may well rival some of the engineering problems connected with building the highest rock-filled dam ever attempted by engineers. This is an important subject for discussion not only for those of us who live in British Columbia but for Canadians from coast to coast.

Gordon M. Shrum

I should emphasize that this paper is in no sense a preview of the B. C. Energy Board's forthcoming report on the Columbia. The Board's report will be based on the findings of eminent consultants and I hope will be ready for submission to the Government of British Columbia in August. At this time, I shall be identified not as Chairman of the Energy Board but as a physicist. Physical science can be roughly divided into two main divisions, one dealing with matter and the other with energy. During the 19th century and the early years of this century, the chemists pre-empted matter as their own special interest and left energy for the physicists. For a long time the chemists had the better of the bargain, for matter seemed to be the more important subject. However, during and since World War II energy has been the much more important concept and now since matter can be transformed into energy all chemistry may eventually be taken over by the physicists. Physicists are the experts on all forms of energy and to a physicist hydro-electric power is just one form of energy, an inexpensive and convenient form.

Our civilization is based upon energy and no other commodity is so important to our well-being. The standard of living in any country can be measured by its per capita energy consumption. This per capita amount varies from 3,000 kilowatts per day in some of the underveloped countries to 150,000 in the more advanced nations. This factor of 50 is a pretty fair measure of the range in the standard of living throughout the world. It might also be noted that one-quarter of the world's population consumes four-fifths of the world's energy and we are fortunate enough to be included in this one-quarter. One may assume that sooner or later the other three-quarters of the world's people will demand their fair share of the available energy.

Fossil Fuels Diminishing

Up to the present time practically all our energy has come from the sun. Today only by means of agriculture and by harnessing hydro-electric power are we able to capture a minute part of the sun's energy. With the exception of hydro-electric power which represents only about 4% of the world's energy consumption, we depend upon coal, petroleum and gas for our supply of energy. These are really fossil fuels which represent captured sunlight transformed and deposited in the outer crust of the earth since it was formed millions of years ago. Unfortunately, these fuels are not being produced today except on an insignificant scale and consequently so far as energy is concerned we are living almost entirely on our capital reserves.

It is interesting to note that the earth receives in four days from the sun more energy than all our reserves including atomic fuels. Unfortunately, very little of this daily quota of energy can be captured and utilized. Actually this enormous amount of energy which the earth receives is only about one billionth of the total energy radiated from the sun. The latter is really a gigantic reactor using a nuclear fusion process to produce helium from hydrogen. Unfortunately, our sun, which is only a second rate star, is gradually running down and will probably have a useful life of only 10 to 20 billion years!

When we use coal, oil or gas we are using up our reserves and some day these supplies will be exhausted. If no other large scale source of energy can be found our civilization will gradually grind to a halt. Estimates vary regarding our reserves of fossil fuels and the time which may elapse before their exhaustion. The most pessimistic estimate I have seen is 25 years and the most optimistic 250 years. The most important unknown factor in these estimates is the rate at which the underdeveloped countries will raise their standard of living. In the final analysis it is really not a case of whether we shall exhaust our fossil fuels but merely of when.

All this anxiety about our future energy supply has been lessened to some extent by the development of nuclear energy. The use of atomic fuels will extend our reserves by a factor of at least 10. If the fusion process can be controlled and energy produced from heavy hydrogen then physicists have solved man's energy requirements for all the time. This is the main reason that the development of nuclear energy is the most important scientific advance of all times and, so far as potential benefit to mankind is concerned, space exploration by comparison fades almost into insignificance.

B. C.'s Energy Needs

We must not be carried away by future prospects but must make certain that we can meet our immediate needs not only throughout the world but in Canada and particularly in British Columbia. The future energy requirements of B. C. can be fairly easily determined. We know our present consumption, its rate of increase and our rate of population growth and can therefore predict our energy needs at any time during the next 50 years. We have about an 8% annual increase which means a doubling of our requirements about every nine years. This is about the same rate of increase as Great Britain although she has a much older industrial economy.

There are many potential sources of energy for B. C.—coal, oil, gas, hydro and perhaps nuclear energy from the fission of uranium or even perhaps by the fusion process. Cost and convenience will be the chief considerations in making a choice from these various potential sources although reliability is also becoming more and more important. Cost is usually looked upon as a very important factor but this attitude cannot be entirely justified. In the case of an automobile we accept a high cost for energy in order to have more comfort and convenience. In fact, in most industries the cost of electric power is not an important consideration as it is usually only about 3% or 4% of the over-all cost. Only in the case of electro-chemical or electro-metallurgical industries is the power cost a real determining factor in respect to location. This latter type of industry uses prodigious amounts of electrical energy. In B. C. the plants at Trail and Kitimat use as much electrical energy as all the rest of the Province combined.

Relative Power Costs

It might be helpful to have a look at the relative cost of hydro, nuclear and thermal power. In

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Some Built-in Defects in Canada's Financial System

By W. Earle McLaughlin*, *President, The Royal Bank of Canada, Montreal, Quebec*

Singled out as fundamental defects in Canada's financial system are the near-banks' deposit currency rise as a competitive threat to chartered-banks and the danger this poses not only to the chartered-banks but, also, to effective monetary control. Mr. McLaughlin absolves monetary managers from responsibility for this, and recommends legislative changes placing near-banks' deposits in the money supply and subjecting them to some type of—to be explored—reserve requirements under Bank of Canada's control. He also recommends removing the 6% ceiling imposed on chartered-bank loan rates of interest. The banker hopes the recently announced plan to set up a Royal Commission will allow not only an investigation of banking operations but also of near-banks.

My title calls attention to some "built-in defects" in Canada's financial system. They *are* built in because they are *fundamental* defects of structure which are not due to human error in the administration of our system on the part of the monetary authorities, the chartered banks, the investment dealers, or any other entities in the money market. However, my remarks will concentrate not only on the defects — glaring as they are—but on what I consider possible means to correct them.

W. Earle McLaughlin

Much has been said, and much more has been written, concerning Canada's economic independence, or lack of it, in the years that have passed since the end of the second world war. I do not wish to thresh over this old straw. I intend instead to concentrate on one prerequisite to that independence—a prerequisite which I believe has received little recognition in the immense, and often stimulating, literature on this vital subject. I refer to our need for a financial structure which is not only eminently sound and reasonably efficient but one that works smoothly in its short-run adaptation to the economic climate of the day. For reasons beyond the control of any of us, we do not have this degree of flexibility now, but it is easily within our reach; and very moderate legislative reforms would make it a fact.

Monetary policy in Canada, as in most Western democracies, derives its power from the control by the central bank of the supply of money in the economy. In Canada this money supply is defined by the monetary authorities as the total amount of chartered-bank deposits in Canadian currency plus Bank of Canada notes and Canadian coin in the hands of the public. By far the greater part of this sum, or almost 90%, is in the form of chartered-bank deposit liabilities.

Bank of Canada's Role

Against their deposit liabilities averaged over a reserve-base period the chartered banks are required under the Bank Act to hold 8% cash reserves. In addition, under an arrangement with the Bank of Canada, effective May 1956 the chartered banks maintain a further minimum of 7% in secondary reserves consisting of Government of Canada Treasury bills and day-to-day loans to money-market dealers.

The Bank of Canada has complete control over chartered-bank cash reserves, which consist of chartered-bank deposits with the Bank of Canada plus their average holdings of Bank of Canada notes in the reserve-base period. If, for example, the Bank of Canada wishes to contract cash reserves it sells securities in the open market. Should these securities be bought by a bank, there is a direct debit to that bank's account with the Bank of Canada, and hence a reduction of its cash reserves. Should anyone else buy them, he issues a cheque on his account with his bank, and when the check is cleared by the Bank of Canada, his bank's deposit with the Bank of Canada is reduced and hence chartered-bank cash reserves are reduced. Conversely, a purchase of securities by the Bank of Canada reverses the procedure and increases chartered-bank cash reserves.

But, because of the 8% minimum cash-reserve requirement under the Bank Act, to control these cash reserves is to control chartered-bank deposits. The total money supply, as we have seen, consists of notes and coin in circulation plus the chartered banks' Canadian deposit liabilities. Since the Bank of Canada is the sole issuer of notes and the sole distributor of coin, even though these are passive elements in the money supply, and since, through open-market operations the Bank of Canada controls the *active* part of the money supply, i.e. the volume of bank deposits, it clearly follows that the money supply of Canada, as here defined, is completely responsive to Bank of Canada policy.

"Money-Supply Substitutes"

So far the role of monetary policy would seem to be straightforward enough. But, as the cliche has it, we live in a changing world. And one of the most important changes in recent years has been the development of what might be called "money-supply substitutes" almost identical with the real thing but entirely outside the official definition and completely outside direct central-bank control. For the most part these money-supply substitutes take the form of deposits with checking privileges in Trust Companies, Caisses Populaires, Credit Unions and similar institutions which I shall lump together in the simple descriptive term "near-banks." Since 1934 when the Bank of Canada Act established our central bank, these near-bank deposit-receiving institutions have enjoyed a period of rapid growth. This is especially true of the deposit business done by Credit Unions, Caises Populaires, Trust Companies, and in a sense also by finance companies and small loan companies. But perhaps we should also include in the category of near-banks certain other organizations that borrow money on the street and in effect accept temporary deposits.

In spite of this change in the true nature of the money supply, the classic definition is still adhered to and the money supply as officially defined excludes all deposit currency existing outside the chartered banks. As a result, the immediate impact of monetary policy, directed at the money supply so defined, is entirely upon the chartered banks, and other depositories are affected only indirectly, if at all.

The various near-banks to which I have referred have all the advantages, real or imagined, which are supposed in the popular mind to be the exclusive property of the chartered banks. They do not have the disadvantage, unique to the chartered banks, of having the total value of their collective assets completely beyond their own control.

Near-banks can "create" credit by purchasing assets in return for deposit liabilities subject to check. Beyond this their range of banking services is narrower than that provided by a chartered bank, but they are not precluded by law from extending this range. In fact, the only difference between their deposit operation and that of the chartered banks is that, unlike the chartered banks, these institutions are not subject to the stringent regulation which the Bank Act and the Bank of Canada Act impose upon Canada's chartered banking system.

Interest Rate Advantage

These near-banks do not have to maintain a fixed percentage of their deposits in the form of cash reserves which in turn are subject to Bank of Canada control; they are not limited by law to a maximum lending rate of 6%, which gives them a significant advantage in the interest rates they can pay on deposits; and moreover, as I pointed out earlier, their deposit liabilities are not considered part of the money supply even though they are "money" in the same sense that chartered bank deposits are money.

I am not suggesting that these various near-banks are in some sense "draining away" deposits from the chartered banks. The loss of a bank customer to this kind of competition reduces chartered bank deposits of one type: deposits owned by the general public, but it increases chartered bank deposits of another type: deposits owned by trust companies, credit unions, or other near-banks. Nevertheless, it is clear that in this process, while chartered bank deposits are unchanged, the deposits of near-banks have risen.

The rapid growth of deposits in near-banks, whatever the source, has, in fact, meant that in spite of the growth of the chartered banking system its share of the total supply of deposit currency has become smaller. Should this trend continue at the present rate, Canada may in time approach the stage which a noted British financial expert foresees for the U. K. where, on some still distant day, credit created by near-banks may displace ordinary bank deposits, just as over the last century bank deposits have displaced bank-notes as the principal part of the money supply. Under these conditions chartered bank deposits in Canada would, like their U. K. counterparts (clearing bank deposits) "become the small change of the monetary system!"

Banks Must Meet the Challenge

Under these conditions, too, the implications for chartered-bank lending operations would be at

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Canada's Economic Outlook

By Marvin W. Farrell,* *Manager, Economic Research Department, The Steel Company of Canada, Ltd., Hamilton, Canada*

Canadian economy is viewed as having solid strength despite its present period of slowed economic growth. Mr. Farrell sees recovery in 1961 as directly dependent on recovery here in the U. S. and in Western Europe and, therefore, he describes the short run prospect as moderately strong with greater strength reserved for the longer run future. Canada's underlying problem is depicted as the two-fold need for improved exports and new funds for the expansion-modernization of medium-sized firms. The economist calls attention to the feeling in Canada that it is being closed out of ECM and EFTA without improved entry to our markets, and caution that the deployment of domestic savings to replace corporate borrowing from abroad may merely shift the problem of capital inflow to mortgage and government bonds.

Introduction

In discussing the business and financial prospects for Canada, I suffer from the disadvantage of being so close to the crossflows of Canadian affairs that some of the happenings may not be as clear to me as to the discerning outside observer. I propose to consider the subject under the three headings: the general setting of Canadian development; some particular problems in the short-term outlook; and finally some major issues in the longer run Canadian prospects.

M. W. Farrell

The General Setting of Canada's Economic Development

The main objective of Canadian economic development is to encourage the use of our national resources and to employ a growing labor force at a high and rising standard of living.

This has not been a simple or easy matter. The distribution of national resources has not been as broad or as rich as in the United States, though in forest products, metals and natural gas, and in certain farm products our advantages are substantial in the markets of the world.

To develop as an industrial nation we have to import many industrial materials, much machinery, and technologies. Where our resources are rich, and when we have ready access to world markets, the efficient industries—primarily in the processing of natural resource products—can establish units for very large markets, and gain the full advantage of large scale volumes. Where our industries are oriented to the domestic market, and are relatively lightly exposed to the competition of imports, they must develop their efficiency in smaller units for the small domestic market. Finally where our industries must share the market with a substantial or rising flow of direct import competition, the disadvantage of the small market may be almost overwhelming.

Although Canada covers a great area on the map — greater than continental United States I believe—the population and the present size of markets are small by comparison. There are about 18 million people compared with 182 million in the United States, while the comparison of Gross National Product is 36 billions annually in Canada to around 505 billion in United States.

The government and peoples of Canada have made ambitious efforts to encourage rapid development of resources. At the end of 1945 the Canadian population was barely 12 million people. Through a concerted immigration program which brought two million arrivals in 1946-60, the population and the labor force have increased sharply, particularly in the younger age brackets. As long as employment was expanding the fast growing population was easily absorbed into jobs. The population growth has been so rapid that the nation needs a fast expansion of industry and employment to keep unemployment down to acceptably low levels.

Industrial Output Outraces Savings' Pace

In recent years the pace of industrial expansion has been at a much faster rate than the generation of savings in Canada. Capital investment during the 1950s at annual levels between 22 to 27% of the G.N.P. has been far beyond the combination of personal savings and corporate earnings. To finance the national growth there have been heavy borrowings by the sale of bonds in the United States by all levels of government. There has been relatively little corporate borrowing in the United States, but there has been a great deal of American direct investment in Canadian enterprises, plus many new ventures initiated, owned and financed from the United States. Foreign investment in Canada is now around $18.5 billion—most of it American. This is over half of the value of the G.N.P. in our highest year, 1960.

Canada can be thankful, in many respects, that so many resources came into productive development in recent years. Some of the more obvious cases are an iron-ore industry in Quebec-Labrador, a petroleum and natural gas industry in the four Western provinces, nickel in Manitoba, uranium, new aluminum smelters, railways to serve the mines, new pulp and newsprint mills, and a greatly expanded variety and capacity in manufacturing and construction.

The governments of Canada

Continued on page 15

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Published Twice Weekly
The COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
CLAUDE D. SEIBERT, President
WILLIAM DANA SEIBERT, Treasurer
GEORGE J. MORRISSEY, Editor
Thursday, July 13, 1961

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.)

Other Office: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

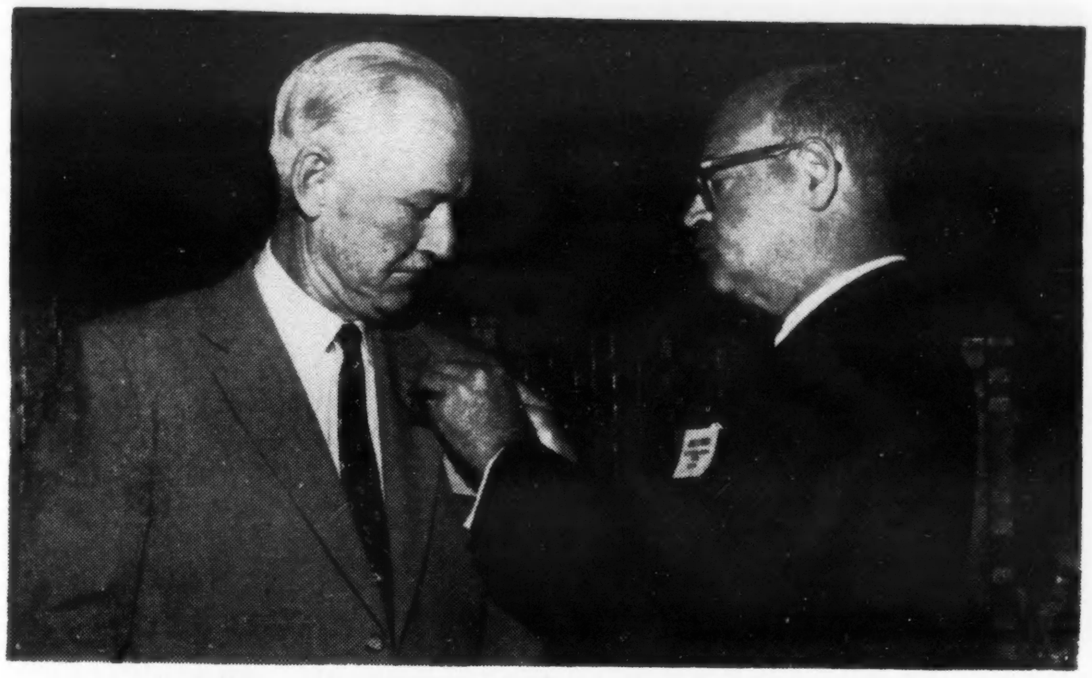
Subscription Rates

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $65.00 per year; in Dominion of Canada, $68.00 per year; Other Countries, $72.00 per year.

Other Publications

Bank and Quotation Record — Monthly, $45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.



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Canada's Economic Problems Are Readily Solvable

Continued from page 3

manageable bounds. Self-correcting forces are already at work. Accompanying the decline in our merchandise trade deficit there was a marked drop in capital inflow last year. The downward trend has continued through the first quarter of 1961 when net inflow on capital from transactions of portfolio securities was less than half of the figure a year earlier.

There has emerged a significant decline in the relative importance of investment. Since 1957, which was the all-time high of capital investment, total business and government capital outlays have accounted for a diminishing share of the national output. The official estimate of capital expenditures for 1961 is \$8.3 billion, compared with \$8.7 billion in 1957. The heavy investment program in recent years has resulted in substantial surplus productive capacity in many industries. For example, in the past five years capacity in the cement industry has been increased by 90%; capacity for petroleum refining is up by 50%; primary aluminum is up 33%; newsprint is up by 25%. Marked increases have also occurred in iron ore, utilities, steel, chemicals and others.

Productivity Lagging

Unfortunately, the \$25 billion investment of business capital over the past five years has not resulted in the economic benefits that might have been expected. Regardless of the great increase in productive capacity, our rate of output has slowed down. Furthermore, per man-hour output has shown a declining rate of increase and is lagging behind that in Europe, even although we have had the greatest relative capital investment program in the Free World.

This cannot continue if we are to maintain our competitive position in world markets—this accentuates the urgency of the need for labor and management together to face up to the seriousness of the problem.

I am not implying that there will be a significant decline in our new capital requirements. Rather, it seems likely that the pattern may be changed. Since we have built more productive capacity than we can use, at least for the present, investment in the business sector may be expected to decline. Profit margins have fallen and the rate of return on both sales and invested capital has been falling for some time. The Canadian Manufacturers' Association reports that profits as a percentage of sales in Canada's manufacturing industry last year were the lowest recorded in the 13 years during which the Association has conducted its annual survey.

Emphasis on "Social Capital"

Relatively greater emphasis is already being placed on "social capital." In short, capital requirements of governments at all levels will continue to expand and to occupy a relatively larger sector of the investment program. The trend is already apparent. In 1957 business investment accounted for 65% of the total leaving housing and social capital at 35%. This year the official estimate is 55% for business and 45% for housing and social capital. Conceivably government investment could outstrip business investment in the foreseeable future, because the spade work of expanding our productive capacity has been done, at least for the present.

Assuming future overall capital requirements in excess of \$8 billion a year, I now turn to the problem of the source of funds. It is abundantly clear that we Canadians have been unable (or unwilling) to generate the savings necessary to meet our capital requirements. Last year our total domestic capital formation was about \$7 billion, leaving a shortage of over \$1 billion that had to be imported.

We are fully aware of the sharp debate over the pros and cons of our international balance of payments position, and the allegation that Canadians have been living beyond their means. During my term of office I have tried to make some contribution to this issue. When I assumed office a year ago, I felt that domestic savings were a key issue. In a number of addresses across the nation I tried to make the point that the savings habits of Canadians are more or less comparable to those of other industrialized countries. Over a period of 35 years Canadians have saved roughly an average of 7% of their net disposable income. An examination of the trend, however, reveals that we are really "living it up." Since 1926 our income has gone up sixfold—our savings on the other hand have only quadrupled. From this you will see a wide gap.

More Foreign Capital Needed

Our industry has a real challenge in the form of promoting personal savings and channeling them into sound investments. There is a substantial personal savings potential that could be tapped. The better the job we do, the less dependent we will be

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on foreign capital. But it will not be easy.

Canadians, unlike their forebearers, seem to be increasingly prone to spend rather than to save. Thrift seems to have become outmoded. Perhaps the welfare state has conditioned our spending habits. At any rate, we are now spending income before it is even earned. The prevailing merchandising philosophy of "no down payment" and "go now — pay later" and live on your credit cards has, in my opinion, dangerous economic implications.

I have indicated earlier that we are not able to generate adequate savings to meet all of our capital requirements. It seems apparent that we shall continue to require further amounts of foreign capital particularly for the development of our larger projects.

In the last three years net new issues of Federal provincial, municipal and corporate securities have averaged $2.4 billion a year. Net personal savings averaged $1.6 billion in the same period. But the gap could be narrowed under favorable conditions. As I see it, our major job is educational. Important strides have been made in our education program—but it should be intensified and expanded by individual member firms. There are hundreds of thousands of potential investors in Canada who are not investing either because of ignorance about securities or pure apathy. Although their resources may be small, in the aggregate their investment could be substantial. If they could be taught to plan a systematic and continuing saving and investment program, it should help materially to boost our domestic savings—thereby lessening our dependance on foreign funds. Broadening our distribution of securities would not, of course, be in conflict with our own self-interest.

More than $7 billion are on deposit in Canadian chartered banks in the form of personal savings accounts. Most of them are small and not a likely source of investment capital. But there are something like 80,000 of these accounts amounting to $10,000 and upwards. It should be possible to channel some of this capital into high-grade portfolio securities.

I feel that that the opportunity for considerable success in this venture is good. There are many signs that we are now experiencing another upturn in our economy. Housing starts in the first four months of this year were 47% ahead of the same period of 1960. The overall construction outlook is good. Labor income has continued to increase and the employment situation has improved considerably. Exports remain strong although domestic retail sales are not yet demonstrating any marked revival. I do not, however, anticipate a major boom. This recovery will probably be gradual and more moderate than the situation in the roaring '50s. Public confidence appears strong, if the stock market is any indication of how people are thinking. My point is that in reviving economy it should be possible to accomplish a considerably broader investment base.

Much has been said in recent months about foreign investment in Canada. December's Baby Budget was apparently designed, at least in part, to discourage borrowing outside Canada. It is to be hoped that the government will do nothing further to discourage the capital inflow that is so vital to our future development. Time alone will tell whether or not we have, to any degree, already damaged our financial relations with foreign investors. If Canada ever gets the reputation of changing the rules after the game has started, the consequences could be very grave indeed.

Deplores Deficit Financing

In respect to savings, I doubt if the Federal Government is providing the financial leadership required. We, as individuals, are being exhorted officially to live within our means, while at the same time the government pursues a continuing program of deficit financing. Instead of the forecast surplus in the fiscal year 1960-61, there appears to be a deficit of some $300 million. It is the considered opinion of discerning financial people that the budgetary deficit this year will be not less than $700 million. Indeed, the cash deficit could well be as much as $1 billion.

Such massive Federal deficits have a most unfortunate impact on our capital market. The huge requirements of the Federal Government for new capital must inevitably force some other Canadian borrowers into foreign capital markets, a situation which the government has been trying to curtail by other means. This is not the only factor involved. Massive deficit financing is inflationary. It tends to cause apprehension and weaken investor confidence in the Canadian economy. Finally, it disrupts the market place as evidenced by sharply fluctuating bond prices during this era of deficit financing.

In conclusion, I can only express the sincere hope that the government will endeavor to put its own house in order so that there will be real leadership to encourage all Canadians to increase and build their savings with confidence—and we Investment Dealers can get on with our job of directing these savings toward efficient and effective use.

*An address by Mr. Morse before the Annual Meeting of the Investment Dealers' Association of Canada, Jasper, Alberta, June 23, 1961.

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The Columbia River Project

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the case of hydro there are large capital costs for generation and transmission but there are no fuel costs. Nuclear power also has high capital costs although the transmission cost is low as the plants can usually be located close to the load center. There is a fuel cost in the case of nuclear power but it is low—we hope it will not be more than one mill per kwh. Thermal power — generated from coal, oil or gas — has a much lower capital cost for the installations than either hydro or nuclear plants. The transmission cost is low for the same reason as in nuclear plants but there is a fairly large item for fuel cost. Thermal plants have recently been deriving a cost advantage also from the gradual increase in efficiency of the boilers and from the current surplus of various fuels. At the same time hydro and nuclear projects are being handicapped by the increasing interest rates on their large capital expenditures. The net result is that hydro and thermal units are now more or less competitive on a cost basis and within 10 years all three hydro, thermal and nuclear should in many areas—including British Columbia—be competitive sources for electric power. In Vancouver the B. C. Electric Co. is currently building a 900,000 kw steam turbine plant burning gas from the Peace River which will be competitive with many of our potential hydro sources.

It is worthwhile pointing out that only very large units — 200,000-400,000 kw or even more—of hydro, nuclear or thermal installations give low cost power. This underlines the necessity for a grid or network so that the province can absorb large increments of power when they are developed. There are other important economic reasons for developing a provincial grid. These include the variation in time for the run-off of our rivers, the need for standby service to provide for failures of generators or transmission lines, variations in peak loads and in general the possibility of smoothing out seasonal surpluses and deficiences.

Hydro Potential Enormous

The hydro-electric potential of B. C. is enormous. There are many sources — The Columbia, Peace, Fraser, Homathko, Clearwater, and the rivers farther north such as the Liard, Nass and Yukon. It is estimated that the total potential may be of the order of 30 million kw. of which at the present time we have developed about 10%. Improvements in high tension transmission will make all this power available at load centers in Southern B. C. or the U. S. A. At the present time it is proposed to effect economies in the transmission of power from the Peace River by using 500,000 to 600,000 volts on the lines. Even higher voltages may be used in the future and no doubt direct current transmission will eventually be possible.

We have far more hydro-electric power potential than we can use in B. C. for the next 30 years. In the case of other commodities we would immediately think of sharing our surplus with our neighbors or exporting it to a foreign market. There are really no arguments against exporting surplus power, provided one can find a market for it. It is a renewable resource which we cannot store and which is wasted if it is not used. In fact we are exporting it now to the Arctic and Pacific Oceans but we do not get paid for it. One can present far better arguments against the export of oil or gas. These are irreplaceable resources which some day will be the raw materials for valuable petro - chemical products. Water flowing in a river can produce only power and, furthermore, it can do this without using any of the water. There is nothing mysterious or unique about electrical energy produced from water power. It is exactly the same as electrical energy produced from oil, gas or uranium.

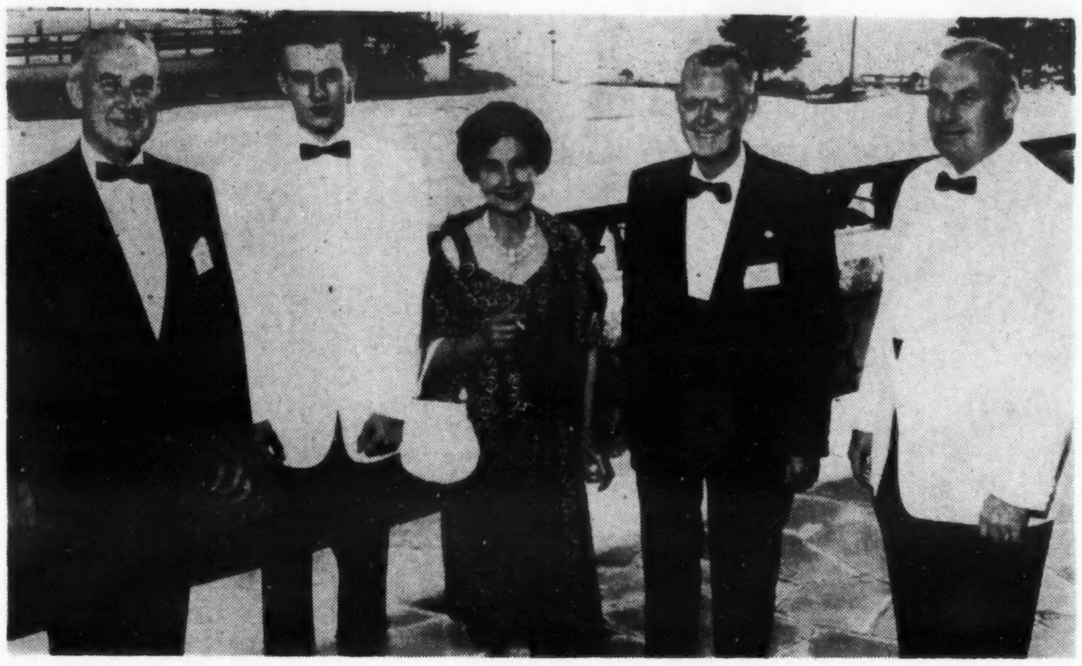
Personally I feel that to waste the energy of our rivers by prohibiting the export of hydro-electric power is economic folly. I would go even further and say it is morally wrong to waste the energy from water power and at the same time produce our energy by burning up valuable raw materials which we can never replace. I am a conservationist who feels some obligation to conserve our irreplaceable resources so that future generations of Canadians may have some of the necessities of life.

Cites Norway's Position

B. C. is in something the same position as Norway—we both have small populations and abundant unused resources of hydro-power. Here is what Trygve Lie, the Chairman of Norway's Energy Board, has to say about the export of power:

"I now come to the crux of what I want to say. Norway is developing its waterpower faster than ever before, but even at the present rate we shall not have harnessed all the economically exploitable waterpower until about the year 2000. Waterpower is our asset that should be exploited as quickly as possible, chiefly because of technical progress in the nuclear power field, but also because it is a pity to see water run into the sea unused when it could be made to yield power and help production and employment. Probably Norway's own economic resources do not permit a faster rate of hydro-electric development than the present rate. But it is perfectly conceivable that foreign capital could be secured in return for power from the new hydro-electric stations thus built. No country in Western Europe has such large water power resources as Norway. With only 1% of the OEEC countries' total population, Norway has 20% of these countries' total waterpower resources. These are remarkable figures and show that Norway could have quite a future as an exporter of power."

Most of the countries of continental Europe have large scale



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electrical interconnections for the import and export of electric power. Great Britain and France are just completing a submarine cable at a cost of $15 million for this purpose. For the first five years Great Britain expects to import power and then when she has completed proposed new atomic plants with pumped storage she expects to reverse the flow and export power to the Continent over this cable.

Yugoslavia is developing all her hydro-electric power sources as rapidly as possible and arranging to pay off the cost of the developments by selling power to her neighbors. She now has five international electrical interconnections and is negotiating for three more. The countries include Austria, Italy, Greece, Hungary, Germany and Switzerland. Southern Rhodesia has recently completed large hydro-electric installations and has made long-term contracts to export to the Congo.

Roadblocks in B. C.

In British Columbia we are handicapped in the development of our hydro resources by the Electricity and Fluids Exportation Act of 1907 which limits any exports to a yearly contract and also imposes a 0.3 mill export tax. Anyone familiar with the development of electrical energy knows that energy cannot be exported on a year to year basis. It takes four to five years to design and build a power plant and thus no community could accept a supply of power that might be interrupted on 12 months' notice. The 0.3 mill export tax is also an almost insurmountable handicap and so far as I know, Canada does not put an export tax on any other commodity. Some seem to argue that since this Act has been on the books for 54 years, it should not be changed. However, in 1955 it was repealed for oil and gas so that Westcoast Transmission's application could be considered by the Federal Power Commission.

It is argued that difficulties were encountered during World War I when a power company in Ontario was selling power to a company in N. Y. State and the Canadian Government wished to terminate the contract. The main difficulty at that time was that the export was by the privately owned Ontario Power Co.—owned largely by United States interests—to privately owned U. S. A. companies in N. Y. State. The Ontario Power Co. itself did not wish to terminate its profitable export contract and claimed that other privately owned utilities in Ontario and Quebec should reduce their exports instead. Conditions today are entirely different from 1917. At that time there was no thermal power at competitive prices and atomic power was not even a dream of the physicists. In B. C. we are concerned lest a controversy that took place over 40 years ago, under entirely different conditions from those of today, should restrict our industrial development. We wish to look towards the future rather than the past.

So far as I have been able to determine, there is no parallel any place in the world, where any nation has declined to take advantage of an opportunity to export a surplus of hydro-electric energy. Surely if France and Germany or Yugoslavia and its neighbors, Hungary and Italy can make arrangements to export surplus hydro-electric power, two such friendly nations as Canada and the U. S. A. should be able to make a satisfactory agreement to do it. Unfortunately with the possible exception of thermal power from Alberta and some hydro power from Manitoba there is no other Province in Canada with a large exportable surplus of power close to a good market. Ontario with her hydro-electric sites nearly fully developed must either import coal from the United States for her new thermal plants or develop atomic power. The export of hydro-electric power must come sooner or later and with our current difficult unemployment situation and the problem of increasing our world-trade surely the time is now.

Not a Political Issue

In British Columbia this question of the development of one of our most valuable natural resources is of too vital importance to become a political issue. Neither should it be approached in an emotional nor anti-American attitude. It seems logical to suggest that the export of electric power be permitted without export tax, and that the National Energy Board be asked to use its present powers to determine that the amounts proposed are really surplus for the locations and periods suggested. This might enable B. C. to sell, not waste its tremendous surplus. I say might here because hydro-electric power like any other export commodity must meet the competition in price. The export price would have to be sufficient to warrant the investment. To those who maintain that term contracts for recapturable power cannot be enforced I should like to point out that if this is true then the Columbia River Treaty may be invalid for it not only provides for the export of Canada's share of downstream benefits but it also provides for a gradual reduction of these power benefits to which Canada is entitled. When Mica Creek storage is completed in 1970 these benefits amount to 1,310,000 kw capacity. From 1982 on this amount decreases at a uniform rate to 212,000 kw. in year 2010. The Treaty thus provides for the U. S. to recapture power delivered to Canada after many years.

Unfortunately, due to our ban on the hydro power export we have probably already lost a good part of the market in the Pacific Northwest for Canadian power. As an example, the plutonium plant at Hanford will probably be authorized and will be supplying up to 800,000 kw. to this market during the next 10 years. However, there does appear to be a market for electrical energy in California to replace oil and gas now being

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burned to produce electric power. I should add that some of this gas is from B. C., sold to the Pacific Gas and Electric Co. at a floor price of approximately 22 cents per 1,000 cf. whereas the corresponding wholesale floor price in Vancouver is 32 cents. The California market for electrical energy should be an expanding and a profitable one. The annual load increment in this one state is over one million kw. per year, which is about half of B. C.'s present total installation for domestic and industrial use other than the two large electro-chemical and metallurgical plants.

Economic Benefits

As Trygve Lie has pointed out for Norway, there are sound economic arguments for getting our hydro-electric plants in B. C. installed and amortized before A. E. becomes too competitive. The building of these plants would be the most certain and direct way to ensure the future prosperity of B. C. We would produce an immediate improvement in employment and business activity with the commencement of construction and when the plants were amortized B. C. would have low-cost power to stimulate industrial activity. We might be able to sell to the U. S. at the beginning about $25 million worth of energy per year and by the end of 20 years this annual revenue could reach $200 million. This amount would be comparable with our total forest products exports to the U. S. A. and would greatly improve our balance of payments with the U. S. A. I would suggest that in accordance with the provisions of the Treaty we should make arrangements immediately to sell all or part of our downstream benefits at least until our market can absorb this energy, which will be at least three and probably seven years. I visualize that eventually we might build in B. C. thermal plants, using our abundant supplies of coal, oil or gas, and transmit the power to California over the lines used for hydro power. We might even build nuclear plants for the export of power. It would surely be to the advantage of Canada to process and up-grade these raw materials — coal, gas, oil and uranium — B. C. and export the electricity rather than to export the raw materials.

I do not propose to discuss the pros and cons of the Columbia River Treaty. As Chairman of the B. C. Energy Board I expect to have to live with this treaty. It might be easy to criticize some of its provisions but then one must bear in mind that this is a bilateral agreement and neither side obtained everything it wanted.

One could spend a good deal of time comparing the two projects —the Peace and the Columbia. Whatever happens I think Canada is indebted to the Peace River Power Development Co. and the Government of B. C. for speeding up the negotiations on the Columbia. In fact they were speeded up to such an extent that the treaty finally got ahead of the engineering. Both the Peace and Columbia appear to be feasible and both will give power which will be low-cost compared with power in most parts of the world. One can argue that developing the Peace would help open up the north country and that this would be a good thing for B. C. as its population at present is too concentrated in the southwest corner of the Province. There are also good arguments in favor of proceeding with the Columbia.

The downstream benefits have been greatly over-rated. Most people seem to think that since we appear to be getting something for nothing from the Americans we should grab for them. The idea that these benefits are free has influenced our thinking and affected our judgment. They can hardly be free when we have to spend $450 million to get them. Actually, the amount of energy involved and the cost when delivered in Vancouver will be such as to produce very little effect upon B. C. light bills. It has been estimated that at best it may mean 15 cents per month to the average householder.

Fundamental Differences Between U. S. and Canada

Canada has signed the Columbia River Treaty and the U. S. has both signed and ratified it. The Treaty will become effective when Canada ratifies it. Some quite sincere but uninformed persons wonder why B. C. has not already given its approval for ratification. Aside altogether from the difficult financial arrangements which have to be completed between Victoria and Ottawa there are important fundamental differences between the Canadian and the U. S. position. In the first place there are no penalty clauses applicable to the U. S. whereas Canada must complete the various storage basins within the schedule laid down in the Treaty or incur penalties up to $237,400 per month. Furthermore, the U. S. has a total new expenditure of approximately $90 million whereas Canada and/or B. C. must spend $450 million on the first phase of the Columbia development. Although $90 million may be a mere pittance for the U. S., $450 million in comparison represents a gigantic undertaking for Canada. There is also the marketing problem. When the first unit is completed the U. S. has an assured market for the resultant power, whereas in the early stages we in B. C. cannot absorb our share of the benefits.

The B. C. Energy Board has been asked to evaluate the feasibility of the two projects—Columbia and Peace—and to determine the cost of power from each in the Vancouver area. We have also been asked to see what might be done to phase the two projects. The feasibility of either project could be greatly improved by assurance that surplus power could be exported. We might for a period of years sell all our downstream benefits from the Columbia. This would defer the heavy capital cost of a long transmission line from Oliver to Vancouver and would make unnecessary the payment to the U. S. of nearly $2 million per year for a standby transmission service as required by the Treaty.

The Energy Board's report will be submitted in August, about six months after the signing of the Treaty. This does not seem to be an unreasonable time for an examination of the financial and engineering aspects of one of the largest single undertakings ever contemplated in Canada. It would not be prudent to be committed to an expenditure of this magnitude without first making certain that the project was economically sound. In any case, there is no necessity for a crash program as

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B. C. has no market for any downstream benefits before 1965 at the earliest. Further, a short delay in the ratification date gives time to complete the preliminary engineering studies and thus improves our position in respect to the penalty clauses as they all date from the time of ratification of the Treaty by both countries.

There is little doubt but that B. C. will be going ahead with one if not both of these projects. Either one is the largest single hydro-electric development ever attempted at one time in any part of the world. The total cost of the Columbia project will be close to $1.5 billion dollars whereas the Peace will be about $1 billion. These are massive and unparalleled undertakings for any nation, let alone 1.6 million people of one Province. They will ensure employment and industrial activity in B. C. for the next 20 years and prosperity for many decades to come.

In contemplating these gigantic projects I sometimes think that we British Columbians must be the most optimistic, imaginative and courageous people in the world today.

*An address by Mr. Shrum before the Annual Meeting of the Investment Dealers' Association of Canada, Jasper, Alberta, June 23, 1961.

Some Built-in Defects in Canada's Financial System

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least equally severe. But I would like to say most emphatically at this point that resisting this trend in loans and deposits is primarily a problem for the banks themselves. They must show imagination and initiative if they are to avoid what must be for bankers a fate worse than death: viz., to become mere repositories for savings used as a source of funds for schemes proposed by Ottawa and supported by government guarantees.

I know that the banks are able to meet the long-run challenge; and I shall not therefore dwell at any greater length on the sad state of affairs which, in an admittedly extreme view, might appear from present trends to face them over the next century or so. Instead, I shall concentrate on an immediate danger, not to the chartered banks as such but to the very existence of an effective Canadian monetary policy.

Under the present system, as deposit-currency in near-banks grows relative to chartered-bank deposits, monetary policy, directed at chartered-bank deposits only, has to become progressively more vigorous to bring about a given expansion or contraction of total money expenditure.

When monetary policy is restrictive, to combat an inflationary trend, it results in heavy pressure on the banks which is not shared by deposit-receiving institutions outside the direct control of the central bank. In other words, under these conditions, the chartered banks have to restrict loans and deposits at a time when the near-banks can continue the process of loan and deposit expansion.

Conversely, when monetary policy is expansive, a given increase in total credit can be achieved only through a greater increase in chartered-bank cash than would otherwise be called for. Like the former case, this too has an arbitrary and distorting effect on the market for credit. The effect on the efficiency of central-bank policy is exactly the same. A larger volume of central-bank open-market operations is needed to achieve a given result, and the risk of undesirable side effects in the bond market is correspondingly increased.

Efficiency of Monetary Policy Impaired

The greater the effort the central bank must put forth to achieve a given change in money expenditure, the less efficient monetary policy becomes. Thus the relative distortion, either up or down, of chartered-bank vs. near-bank loans and deposits is reflected directly in reduced efficiency of the central bank's control over total money expenditure.

This wholly unnecessary reduction in the efficiency of monetary policy is further compounded by the built-in rigidity imposed on the chartered banks by Section 91 of the Bank Act. The operative part of this section reads as follows:

". . . no bank shall in respect of any loan or advance payable in Canada stipulate for, charge, take, reserve or exact any rate of interest or any rate of discount exceeding 6% per annum and no higher rate of interest or rate of discount is recoverable by the bank."

The 6% ceiling thus imposed on chartered bank loan rates of interest has two main effects on the banks, both of which reduce the efficiency of monetary policy.

First, it prevents the banks, alone among financial institutions, public or private, from charging rates consonant with market conditions when the general level of

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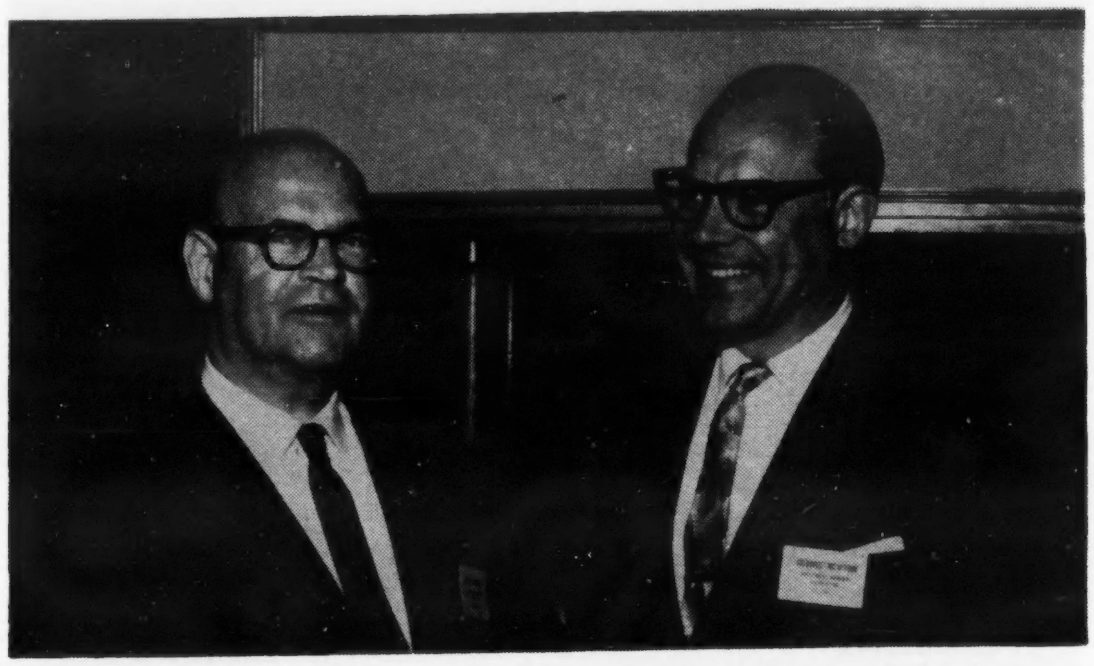

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interest rates (and lenders' costs) is high; *second*, and equally if not more important, it prevents the bank from paying higher interest rates on savings deposits when indicated by conditions in the market for credit.

Thus, the ceiling tends still further to reduce the chartered banks' share of total deposits in the economy and serves still further, therefore, to remove our official definition of the money supply from the world of economic reality. In other words, as in the previous case, it tends to reduce the relative importance of that part of the total supply of credit, namely chartered-bank deposits, which the central bank has the legal power to control and thereby correspondingly reduces the efficiency of monetary policy.

All this is bad enough, but the rigid ceiling on chartered-bank interest rates also decreases the efficiency of monetary policy in an even more direct fashion.

First, when maximum lending rates are held below the market rate—this was the case in 1959—it obliges the banks to resort to the necessarily clumsy, and highly unpopular, device of arbitrary credit rationing; *second*, it prevents the banks from implementing, as efficiently as they otherwise could, the stated or implied policy of the Bank of Canada.

With the ceiling, in periods of tight money, banks can restrain borrowers only through arbitrary rationing forced by the overall restriction of the money supply; they are not allowed to raise, consistent with market conditions, the *price* of bank credit and thereby secure an efficient, fair and economic distribution among all classes of borrowers of the scarce supply available; nor are they able to use price, in the form of higher interest paid on savings deposits, to combat one of the real causes of inflationary pressure—lack of savings.

How to Correct the Problem

Now I come to the really important point: what should we do to correct these built-in defects in our financial system?

Let me begin with a statement of broad principle.

I believe that any measures taken to ensure the full and effective functioning of the market for credit and to improve the efficiency of monetary policy should follow the principle that any extension of regulation should be held to a minimum, and, where possible, that regulation should actually be reduced.

I have two proposals to make, both of which have been devised with this principle fully in mind. I advance them with all due deference, in the hope that they may become a basis for further discussion and early action in these important matters.

My first proposal is that we increase the efficiency of monetary policy by broadening the monetary base on which that policy operates, to include as part of the money supply deposits in credit unions, caisses populaires, trust companies, finance companies and any other near-banks. This means that these institutions, like the chartered banks, would have to maintain reserves subject to control by the Bank of Canada.

I can provide no single reserve scheme which I could say with confidence is the best. Further study is required before a wise selection can be made. Quite frankly, I do not know, for example, whether reserves should be held against near-bank deposits or whether, because of the peculiar nature of some of these near-banks, reserves should be held not against deposits but against the total of near-bank loans. Or, it may be that the reserves should be a combination of the two; that is, they should be applied against both deposits and loans under some formula, or even against deposits for one type of near-bank and against loans for another type.

There is, too, the very important question: what form should near-bank reserves take? Here again further study is needed. I do not know whether these reserves should be in the form of government of Canada obligations placed with some depository such as the central bank, or whether they should take the form of minimum deposits with the chartered banks.

Let me hasten to add that this last suggestion is not made for any selfish reason. I explained earlier that the increase in near-bank deposits does not reduce overall chartered bank deposits. Likewise, calling for near-banks to maintain special reserves with the chartered banks only changes the ownership of the deposits but does not increase the overall total of deposits in the chartered banking system.

Flexible Reserves

Whatever form the reserves take, the Bank of Canada will not be able to control them directly by open-market operations as it can the cash reserves of the chartered banks. Control by the Bank of Canada would, therefore, have to operate by raising or lowering the reserve percentage which near-banks would be required to keep against their loans or deposit liabilities. These changes in near-bank reserve requirements could then be co-ordinated with our present system of open-market operations, which is designed to affect the reserve position of the chartered banks.

In this way the impact of any future credit squeeze would be spread over all deposit-receiving and lending institutions and not confined, as it is today, to the chartered banks alone; and the same would be true of any future policy of credit expansion by the monetary authorities. As a result, there would be no distortion, favorable or unfavorable to the chartered banks or to other deposit-receiving institutions, in the market for credit. At the same time, the broader impact of monetary policy would have the effect of greatly increasing its efficiency; smaller operations would be required to effect any given expansion or contraction of the total supply of credit, and undesirable side effects in the bond market would be correspondingly reduced.

My second proposal is, in line with sound principle, simply to reduce the total amount of regulation in the economy by amending, at the next revision of the Bank Act in 1964, Section 91 of that Act which, as I have pointed out, provides that chartered banks may not charge more than 6% on loans.

I would suggest that, if the ceiling is retained at all, it should be made flexible. It could, for example, be set at the present rate of 6% or at a rate of, say, some appropriate number of points above bank rate, whichever is higher. (For this purpose I may remark, parenthetically, our present floating bank rate would be ideal because of the way it reflects the market. However, we would still be without any signal, by bank rate or otherwise, indicating the central bank's intentions in monetary policy).

No ceiling preferably, or a flexible ceiling such as I have described, would greatly increase the efficiency and flexibility of monetary policy by enabling the chartered banks, at long last, to reflect, as the near-banks have always been able to do, both in their loan rates and in the rates of interest they pay on savings and other time deposits, any general tightness or relative ease in the money supply that may at any time be dictated by events and imposed by the Bank of Canada.

Problem Subject of Royal Commission Study

I have already said that the whole matter of near-bank reserves requires further study and the same applies to other aspects of our monetary and banking structure. Because I feel strongly on these matters, I am heartened by the recent announcement in the Budget that the government plans to set up a Royal Commission. One would hope that this commission would be composed of men of the most distinguished stature and independence of view, backed by a strong, experienced secretariat. The brief reference in the Budget indicated that the commission would not be restricted in its investigations to the operations of the chartered banks and the Bank of Canada. While its terms of reference are not yet known, I would urge that the commission's powers should be broad enough to take into its frame of reference the operations not only of the banking system as classically defined but of all those institutions to which I have applied the term "near-bank" because as I have already pointed out, these institutions are playing an increasing but an unrecognized and uncontrolled part in the vital monetary and banking structure of the Canadian economy.

The Fathers of Confederation, in their wisdom, have decreed that in the vital matter of banks and banking, the *national* interest, and not the presumed interest of various occupational and regional groups, must reign supreme. It is then in this national interest, in the broadest and truest sense of that term, that I appeal here for action to restore to our monetary authorities their rightful and necessary power to control the total supply of money in all its forms and not merely that part of the total supply which happens, at any given time, to take the form of the deposit liabilities of Canada's chartered banks.

This is a time of decision for Canada.

Some of the most important decisions that have to be made today are in that broad, and to a surprising degree in Canada *unclaimed*, realm of monetary and fiscal policy. The most important thing, of course, is simply the *will*, on the part of our fiscal and monetary managers to move decisively to correct, so far as fiscal and monetary policy *can* correct, the present slack in output and employment. But given the will, we must also have effective fiscal and monetary machinery to implement policy. I believe that a move along the lines I have suggested herein will ensure that the wisdom of our fiscal and monetary authorities can be made effective in action, and that our economy can enjoy prosperity and growth within our traditional framework of political and economic freedom.

*An address by Mr. McLaughlin before the Annual Meeting of The Investment Dealers' Association of Canada, Jasper, Alberta, June 24, 1961.

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have in turn spent a great deal of public taxes and borrowings toward improving Canada's capacity, e.g. the St. Lawrence Seaway, public power projects, highways, streets, water, sewage, education and other familiar government services.

As long as world markets are buoyant, the Canadian economy has functioned at a high level of industrial activity, employment and living standards. If there is a halt in the expansion of world demand or even American demand, the situation in Canada becomes vulnerable. The situation is complicated by the generally abundant capacity situation now existing across Canadian industry.

With the work force increasing at a slow steady rate, when the export industries turn into stability or recession, the domestically oriented industries are not able to absorb the unemployed labor and the many new additions to the work force. Last year about 15% of Canada's G.N.P. came directly from the proceeds of commodity exports.

On a similar theme Canada has substantial commodity imports, which have exceeded commodity exports every year since 1953. For a country with a foreign debt equal to half of the Gross National Product and with relatively minor foreign investments itself, it might be expected that Canada would have a surplus of exports over imports to pay for the borrowed or invested foreign capital. This has not been the case in recent years as the flow of imported capital has kept rolling in. We have not yet, on balance, had to pay for the large investments made in Canada in the past decade.

Accompanying the inflow of capital have been large imports of industrial machinery, equipment and other specialties necessary for developing the resources into active producing plants .

The importation of capital, techniques and skills has been made easy in that Canada is frequently not regarded as a completely foreign country. In addition, Canada has maintained a fairly respectable reputation for decent treatment of foreign investment.

So, on the surface, Canada might appear to have enjoyed an enviable position in having developed a rising standard of living, a rapid expansion of population, and very impressive expansion in forestry, mining and metallurgical processes, petroleum and natural gas, construction and general manufacturing.

So much for the general setting. Some troubles have appeared in this Garden of Eden. I shall deal now with some of the difficulties of recent months.

Recent Difficulties

The succession of postwar booms, and the abnormally high rate of capital investment have diverted an abnormal proportion of the labor force into construction and similar supporting industries. When Canada settles down to a more restrained rate of growth, such labor will have to shift from industrial and heavy construction to other occupations.

In 1960 Canada experienced a moderate recession from which it is now recovering. In terms of percentage decline from the previous peak in the G.N.P. it was a mild recession. Some sectors of the economy were barely touched. Salaries and wages increased in each quarter.

Rent, interest and miscellaneous investment income quickly recovered from a slight decrease. Farmers' income increased in spite of conditions elsewhere. Personal consumption expenditures in total never weakened, particularly on services. Commodity exports reached a new high level.

The weak spots in the Canadian economy included the following: corporation profits, residential construction, heavy construction, new machinery and equipment, durable goods manufacturing output, freight car loadings and inventory liquidation in manufacturing. Government expenditures increased in 1960, partially because of anti-recession spending. One of the most disturbing features throughout 1960 was the steady growth in unemployment to the highest levels in 20 years. The seasonally adjusted unemployment peak was 7.9% in December. On a seasonally unadjusted basis the peak unemployment was in mid-February 1961 when 11.3% of the labor force was unemployed. The most serious pockets of unemployment were in construction, mining — especially coal — and durable goods manufacturing. Inventory liquidation in manufacturing was at its greatest severity in the steel consuming trades. The primary steel industry was spared the full impact of the decline in domestic consumption by its ability to enter the export trade on a scale without previous parallel. The decline in steel consuming inventories was still continuing through January, 1961, though the economy as a whole had swung back to accumulation of business inventories.

The 1960-61 recession might be described as a mild decline from a rather weak business peak attained in the first quarter of 1960. The G.N.P. declined only for the second quarter, then increased in the third quarter, with a good recovery in the fourth quarter. The incidence of the recession was mainly on construction, heavy industry and on unemployment.

Short-Term Outlook

The next question is the probable nature, strength and incidence of the shorter term business recovery in Canada.

One of the major indicators of the present year is the anticipated capital expenditures by industry, commerce and government. The latest survey taken in October, 1960 forecast a modest increase in total spending. More would be spent on basic construction, less on machinery and equipment. Manufacturing and transportation anticipated lower capital outlays. Governments, fuel and power, and housing expected to spend more. With a recovery in business optimism since October there may be heavier capital spending by private industry as 1961 advances.

There are scattered indications that housing and the companion fields of appliances and home furnishings are moving in rather slow fashion. If the stock market is a proper guide the recent advances in the Canadian exchanges are a very encouraging sign. The Canadian steel industry has had a good recovery from its low production rate of November and December 1960. Perhaps it is a characteristic of recovery from a shallow recession, but there is a good deal of reservation, or lack of firm conviction, about the probable strength of the business recovery.

Perhaps it is the discomforting presence of a high level of unemployment, perhaps the widespread feeling that in every area of domestic production capacity is adequate—even generous, perhaps it is the feeling that Canada is being closed out of the European Common Market, the European Free Trade Area, and without serious prospect of a similar accommodation into United States markets. In any case there is a considerable opinion that there is no strong and certain pressure in sight to develop a strong, sustained recovery which would give us an early resumption of a good rate of economic growth, and the elimination of the serious unemployment that is the most worrisome fact in the short-run setting.

Looking further ahead there are many factors that are encouraging for Canada. Whether we admit it freely or not our major link with the outside trading world is by way of the most efficient export—oriented, raw materials—processing industries. Unless we had these exports we wouldn't have an import problem to deal with, because we would have no means of buying imports. Given free access to American, European and even Asiatic markets, many Canadian forestry, metallic, and petrochemical products and even some machinery items based on servicing the resource industries, could be very competitive on world markets. Canada will have to keep open its access to world markets for its low cost exports as a means of generating new growth and expansion.

Any major resumption of economic growth in Canada will entail heavy capital expenditures. An important policy question in the prevailing sensitive climate of financial nationalism in Canada is whether the full amount of capital could be raised internally. Some observers feel that a considerable amount of funds could be raised internally by bonds or sales of equities. The likely result would be to divert the limited supply of domestically-generated corporate and personal savings away from mortgages and government bonds to equities, and to shift the problem to another area in which foreign bororwing would be needed.

Pressing Problem of New Funds

One of the more pressing and difficult problems in the Canadian economy is the raising of new funds for the expansion and modernization of the medium-sized Canadian owned corporations. Many of these firms in recent years have sold out to American principals or to Canadian holding companies.

Suppose that half or more of the funds for expansion have to be raised abroad. If this were the case, Canada may find that a new situation has arisen in the American financial market now that Western Europe, Japan and other regions have become strong contenders for capital. Canada may have to pay higher prices in its competition for free funds. Possibly more capital may have to be secured by the sale of debt rather than by equity financing. In this circumstance the results of investment may be less inclined to risk-seeking ventures. Foreign

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debt is likely to be less stimulating to the Canadian economy than foreign equity ownership or direct investment. There is the additional necessity of meeting the interest regularly rather than postponable forwarding of dividends.

Changes in the American tax policies on retained earnings in wholly-owned Canadian subsidiaries, and more particularly tax changes on depletion in crude oil and natural gas, may restrain vigorous investment in Canadian crude oil and natural gas ventures, as well as in some other areas. The decisions of the United States Congress on this matter will be watched in the Canadian West where much American money has been invested with very low short-run returns of profit and dividends.

Another longer run issue is whether Canada should undertake again a vigorous immigration policy to increase the size of the domestic market. I believe that the answer is that immigration for the short run will be limited to the skills that are scarce in Canada. Large scale immigration cannot be considered until unemployment is reduced to low levels. Then immigration will be encouraged.

Can Canada retrain the unemployed, and direct the technical training of the young toward the industries which stand the best chances of competitive strength in the broader trading areas that Canada sooner or later will have to join? This suggestion might seem a slow-working solution to the problem of unemployment being highest among the untrained and the unskilled, but over a time period it would upgrade the productivity of labor. Canadian industry in the meantime has the responsibility of holding wage increases to levels which will not injure the employment prospects.

One of the more obvious needs of an advancing industrial nation in a competitive world is initiative, progress, and efficiency. Canadian industry, and the broader group of the public and governments, will have to maintain efficient plant and equipment, and a favorable climate toward innovation, initiative, and high productivity levels.

On the whole, the Canadian economy has solid strength, but is passing through a period of slowed economic growth. With our labor force, industrial plant and construction industry keyed to high levels of capital investment, unemployment has appeared as a major short-run problem. For the long-run Canada is endowed with many rich and marketable resources and a stable political climate favorable to business initiative. In the situation of 1961 it is unlikely that the internal conditions in Canada will generate by themselves a sustained business recovery. It is to the recoveries in the American and West European economies that Canada will look for the supports of our economic growth. Our assessment is that the short-run prospect is moderately strong, with greater strength for the longer-run future.

*An address by Mr. Farrell before the fourth annual conference of the National Industrial Conference Board, N. Y. C.

Attended the Convention

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James Richardson & Sons
Toronto

SMITH, BRUCE*
Okanagan Investments Ltd.
Kelowna

SMITH, PETER*
G. E. Leslie & Co.
Montreal

STODGELL, S. J.*
Walwyn, Stodgell & Co. Ltd.
Toronto

TAPRELL, W. R.*
Carlile & McCarthy Ltd.
Calgary

TAYLOR, W. D.*
Hall Securities Ltd.
Vancouver

TETRAULT, A.*
Burns Bros. & Denton Ltd.
Montreal

THOMPSON, A. G.*
James Richardson & Sons
Vancouver

Continued on page 18

Gordon Richardson, *G. R. Richardson & Company, Kingston, Ont.;* Mr. & Mrs. John Norris, *Collier, Norris & Quinlan, Ltd., Montreal*

Mr. & Mrs. John M. Lewis, *Equitable Securities Canada, Limited, Toronto;* Mr. & Mrs. Allan Duncan, *Annett & Company, Ltd., Toronto*

Attended the Convention

Continued from page 17

THOMPSON, C. R.
Nesbitt, Thomson & Co. Ltd.
Halifax

THOMSON, W. E.*
Pemberton Securities Ltd.
Vancouver

TINGLEY, H. W.*
Wood, Gundy & Co. Ltd.
Montreal

TORREY, A. S.*
W. C. Pitfield & Co. Ltd.
Montreal

TREBELL, F. D.*
Greenshields Inc.
Toronto

TURNEY, A. H.*
Locke, Gray & Co. Ltd.
Calgary

WALKER, W. S.
Investment Dealers' Association
Toronto

VALOIS, LOUIS H.*
Graham, Armstrong Securities Ltd.
Montreal

WEBB, D. I.*
Merrill Lynch, Pierce, Fenner & Smith Inc.
Toronto

WEST, J. J.*
Wood, Gundy & Co. Ltd.
Vancouver

WHITE, ROBERT A.
Bongard & Co.
Toronto

WILLIAMS, E. J.*
James Richardson & Sons
Winnipeg

WILLIAMS, L. B.*
Hagar Investments Ltd.
Victoria

WILLIAMS, V. B.*
C. M. Oliver & Co. Ltd.
Vancouver

WILLIS, B. G.*
Greenshields Inc.
Toronto

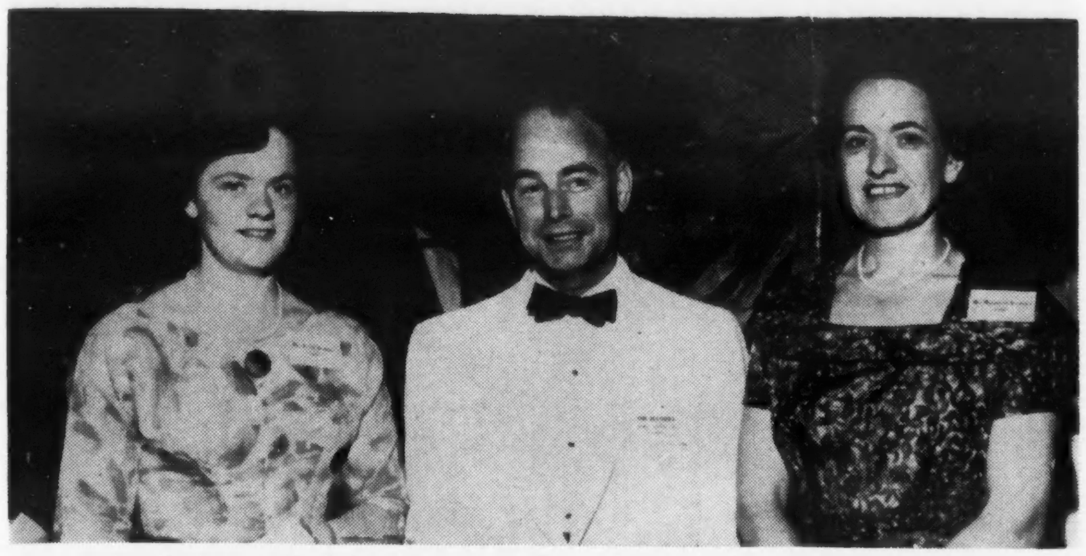
WILKINS, D. J.*
Fry & Co. Ltd.
Toronto

WILSON, ROSS*
A. E. Ames & Co. Ltd.
Vancouver

WINSLOW, MRS. J. D.
Winslow & Winslow Ltd.
Woodstock

WITHERS, MICHAEL*
Wood, Gundy & Co. Ltd.
Toronto

YOUNG, GEORGE W.*
Dominion Securities Corp. Ltd.
Toronto



Evelyn Bradbury; Mr. & Mrs. Thomas Bradbury, *Brawley, Cathers & Company, Toronto*

Mr. & Mrs. Richard Lauber, *A. E. Osler Company, Ltd.*, Toronto

Mr. & Mrs. Mait Newman, *Cochran, Murray & Co., Ltd.*, Toronto; Eric Morse, *W. C. Pitfield & Company Limited*, Montreal; Charles L. Gundy, *Wood, Gundy & Company, Limited*, Toronto

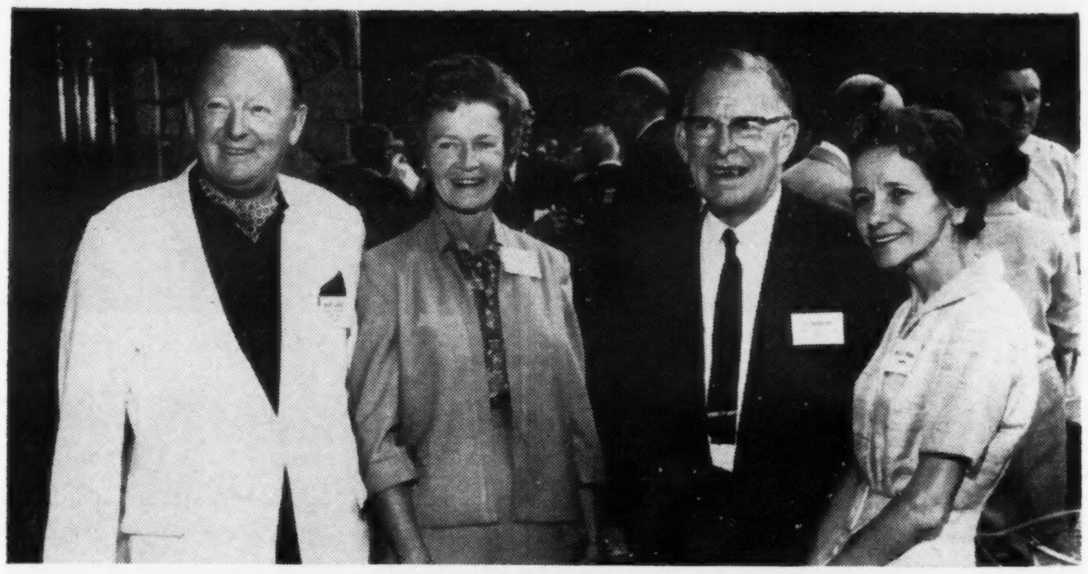
Mr. & Mrs. Frank McDonald, *Gairdner & Company Limited, Toronto;* Mr. & Mrs. J. I. Crookston, *Nesbitt, Thomson and Company Limited, Toronto*

Mr. & Mrs. Peter Crysdale, *Mason & Crysdale Limited, Toronto;* Mr. & Mrs. John B. Livingston, *Cochran, Murray & Co., Limited, Toronto*

Mr. & Mrs. B. A. Mallon, *McLeod, Young, Weir & Company, Limited, Toronto;* Mr. & Mrs. Tony Corson, *McLeod, Young, Weir & Company, Limited Toronto*

Mr. & Mrs. Michael Grills, *McLeod, Young, Weir & Company, Limited,* Montreal; Douglass Rodomar, *Calvin Bullock, Ltd.,* Montreal

Mr. & Mrs. Roy B. Brookes, *Royal Securities Corporation, Ltd.*, Edmonton; Mrs. Ervie J. Doran, Calgary; John Penny, *Royal Securities Corporation, Ltd.*, Toronto

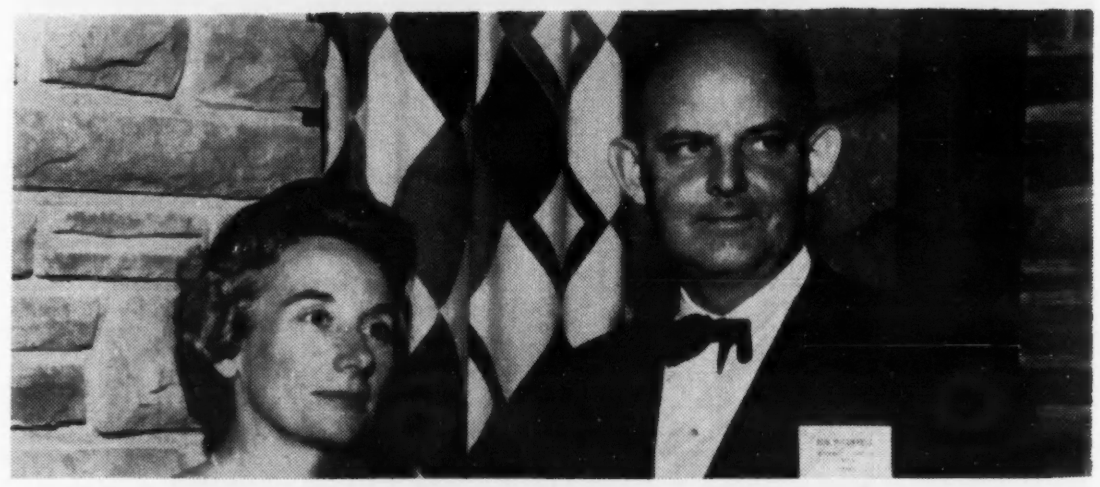


Mr. & Mrs. C. W. McBride, *Midland Securities Corporation, Limited*, Toronto; Mr. & Mrs. Ed Williams, *James Richardson & Sons*, Winnipeg

Bill Walker, *Investment Dealers Association of Canada*, Toronto; Mr. & Mrs. Paul H. Carpenter, *James Richardson & Sons*, Edmonton; Mr. & Mrs. Olin Buker, *James Richardson & Sons*, Calgary

Mr. & Mrs. Arthur Torrey, *W. C. Pitfield & Company Limited*, Montreal; Kenneth Sedgewick, *W. C. Pitfield & Company Limited*, Montreal; Mrs. D. Bruce Shaw, Toronto

Mr. & Mrs. Bud Willis, *Greenshields Incorporated, Toronto;* Mrs. Bryce Farrill, *Toronto;* Mr. & Mrs. Frank Trebell, *Greenshields Incorporated, Toronto*



Mr. & Mrs. R. K. McConnell, *McConnell & Company, Ltd.*, Toronto

Mr. & Mrs. Jean Leclerc, *Rene T. Leclerc, Incorporee*, Montreal; Mr. & Mrs. Louis H. Valois, *Graham Armstrong Securities Ltd.*, Montreal

John Sydie, *Sydie Sutherland & Ritchie, Ltd.*, Edmonton; W. Rees Taprell, *Carlisle & McCarthy Ltd.*, Calgary

Mr. & Mrs. D. E. M. Schaefer, *Nesbitt, Thomson and Company Limited*, Toronto; Mrs. Ian Crookston, Toronto; Ross Calder, *Nesbitt, Thomson and Company Ltd.*, Calgary

Mr. & Mrs. S. J. Stodgell, *Walwyn, Stodgell & Co., Limited,* Windsor; Mr. & Mrs. M. R. W. Kuchner, *Dominick Corporation of Canada,* Montreal

Mr. & Mrs. Robert Graham, *Osler, Hammond & Nanton, Limited, Winnipeg;* Mrs. Thomas Meredith, *Calgary;* Mrs. Donald Webb, *Toronto*

Mr. & Mrs. John M. McAvity, *W. C. Pitfield & Company, Limited, Vancouver;* Kenneth M. Sedgewick, *W. C. Pitfield & Company, Limited, Montreal*

Mr. & Mrs. D. M. Sennett, *Harris & Partners Limited, Toronto;* Mr. & Mrs. Robert W. Gouinlock, Jr., *Bell, Gouinlock & Company, Limited, Toronto*

Mrs. James MacMurray, *St. John, N. B.;* Mrs. Jim Edwards, *Toronto*